
THE

NATION'S

INVESTMENT

IN

CHILDREN



An Analysis of the President's
FY 1992 Budget Proposals

CHILDREN'S DEFENSE FUND

Contents

President Bush's FY 1992 Budget.	1
Selected Children's Programs in the President's FY 1992 Budget	2
Major Entitlements in the President's Fiscal Year 1992 Budget.	4
Preventive Investments.	5
New Budget Rules Prevent Meaningful Spending Choices	7
The President's Block Grant Proposal.	8
Children and the Recession	10
CDF's 1991 Legislative Agenda.	14
Family Income Supports.	17
Education	27
Child Care and Child Development.	37
Maternal and Child Health	43
Housing and Homelessness.	53
Vulnerable Children and Families.	59
Budget Process at a Glance.	68
Key Terms in the Budget Process	70

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President Bush's FY 1992 Budget

President Bush and Budget Director Richard Darman have offered an FY 1992 budget that shortchanges the nation's families and children, and its future. The budget does nothing to alter the pattern of official child neglect that has characterized national policy for much of the past 10 years. The results of that neglect are pervasive:

- One in five American children -- 12.6 million in all -- is living in poverty. Children are by far the poorest Americans and grew poorer during the 1980s as our nation grew richer. Among children younger than six, nearly one in four is poor.
- Infant mortality is the most sensitive indicator of children's health. During the 1970s infant mortality rates fell by 4.7 percent per year. In the late 1980s infant mortality rates -- still high by international standards -- barely declined at all.
- In 1988, for the ninth consecutive year, the proportion of pregnant women getting late prenatal care or none at all rose or showed no improvement.
- More than 100,000 children every night, and a total of 1 million to 2 million a year, are homeless.
- The foster care system is bursting at the seams from old and new causes: drugs, abuse and neglect, and families torn apart by the housing crisis. About 360,000 children under the responsibility of state welfare agencies are in foster care -- a 29 percent increase between 1986 and 1989.
- Our schools are not good enough to keep America competitive and are making no perceptible progress toward the essential year 2000 goals the president and the governors have set for them.

The proposed budget does not improve on a dismal record of national failure to invest adequately in programs that will help children. After years of experience, our nation knows a great deal about what works to prevent and remedy these problems that limit the physical and intellectual development of children. The

Selected Children's Programs in the President's FY 1992 Budget

	FY 1990 Actual* (millions)	FY 1991 Actual* (millions)	FY 1992 Proposed (millions)	Change FY92-FY91 (millions)	Change FY92-FY91 (percent)
Child Health:	\$ 2,683.4	\$ 2,932.1	\$ 2,967.1	\$ 35.0	1.2
Maternal & Child Health	553.7	587.3	553.6	-33.7	-5.7
Mental Health Block Grant	1,193.0	1,268.7	1,269.0	0.3	0.0
Immunization	156.2	217.2	257.8	40.6	18.7
Venereal Disease Prevention	81.0	85.0	90.0	5.0	5.9
Community Health Centers	458.9	478.2	478.2	0.0	0.0
Migrant Health	47.3	51.7	51.7	0.0	0.0
Health Care for the Homeless	45.3	50.9	63.0	12.1	23.8
Family Planning	139.1	144.3	150.0	5.7	4.0
NHSC Scholarships & Loans	8.9	48.8	53.8	5.0	10.2
Child Care & Child Welfare:	5,378.2	7,240.4	7,054.2	-186.2	-2.6
Social Services Block Grant	2,762.2	2,800.0	2,800.0	0.0	0.0
Community Services Block Grant	388.8	435.8	10.8	-425.0	-97.5
Child Development Block Grant	n/a	731.9	732.0	0.1	0.0
Head Start	1,386.3	1,952.0	2,052.0	100.0	5.1
Child Development Scholarships	1.4	1.4	1.4	0.0	0.0
AFDC Child Care-Family Support Act	206.0	317.0	433.0	116.0	36.6
Non-AFDC "At Risk" Child Care	n/a	300.0	300.0	0.0	0.0
Child Care/Crisis Nurseries	8.3	11.0	11.0	0.0	0.0
Child Abuse State Grants	11.5	19.5	19.5	0.0	0.0
Child Abuse Discretionary	13.5	14.6	14.6	0.0	0.0
Child Abuse Challenge Grants	4.9	5.4	5.4	0.0	0.0
Family Violence	8.3	10.7	10.7	0.0	0.0
Adoption Opportunities	6.7	12.7	12.7	0.0	0.0
Abandoned Infants Assistance	9.9	12.6	12.6	0.0	0.0
Child Welfare Training	3.6	3.6	3.6	0.0	0.0
Child Welfare Services	252.6	273.9	364.0	90.1	32.9
Independent Living	50.0	60.0	70.0	10.0	16.7
Child/Adolescent Service System	n/a	9.6	n/a	n/a	n/a
Runaway Youth	28.8	35.1	35.1	0.0	0.0
Runaway Youth/Transitional Living	9.9	9.9	9.9	0.0	0.0
Runaway Youth/Drug Abuse Prev.	14.8	14.8	14.8	0.0	0.0
Drug Abuse Prevention/Gangs	14.8	14.8	14.8	0.0	0.0
Juvenile Justice	81.8	75.3	7.5	-67.8	-90.0
Native American Programs	31.7	33.4	33.4	0.0	0.0
Development Disabilities-Grants	82.4	85.4	85.4	0.0	0.0

	FY 1990 Actual* (millions)	FY 1991 Actual* (millions)	FY 1992 Proposed (millions)	Change FY92-FY91 (millions)	Change FY92-FY91 (percent)
Education:	\$15,286.9	\$23,371.1	\$23,522.7	\$ 151.6	0.6
Chapter 1 Compensatory Education	5,183.8	6,214.8	6,339.9	125.1	2.0
Handicapped Education	2,055.2	2,467.5	2,604.2	136.7	5.5
Bilingual Education	158.5	168.7	171.5	2.8	1.7
Chapter 2	487.9	484.6	477.7	-6.9	-1.4
Vocational Education	937.7	1,011.9	1,010.9	-1.0	-0.1
Indian Education	73.2	75.4	77.4	2.0	2.7
Follow Through	7.2	7.3	0.0	-7.3	-100.0
Dropout Prevention	19.9	34.1	29.0	-5.1	-15.0
Education of Homeless Children	7.4	7.3	0.0	-7.3	-100.0
Women's Educational Equity	2.1	2.0	0.5	-1.5	-75.0
Civil Rights IV-A Centers	21.4	21.3	21.3	0.0	0.0
Student Financial Assistance	6,090.8	6,713.7	6,713.6	-0.1	0.0
Guaranteed Student Loans (adjusted)	n/a	5,818.9	5,681.6	-137.3	-2.4
TRIO (higher education)	241.8	343.6	395.1	51.5	15.0
Miscellaneous:	13,236.1	16,154.7	16,223.7	69.0	0.4
Supplemental Food (W.I.C.)	2,126.4	2,350.1	2,573.4	223.3	9.5
Job Corps	802.6	867.5	867.5	0.0	0.0
Summer Youth Employment	699.8	682.9	0.0	-682.9	-100.0
JTPA Youth Training	n/a	n/a	1,337.6	n/a	n/a
Job Opportunities & Basic Skills	369.0	880.0	1,000.0	120.0	13.6
Low Income Housing	7,299.0	9,448.0	9,066.0	-382.0	-4.0
Temporary Emergency Food Assistance	49.8	50.0	27.0	-23.0	-46.0
Emergency Food and Shelter	130.0	134.0	100.0	-34.0	-25.4
Low Income Energy Assistance	1,443.0	1,415.0	925.0	-490.0	-34.6
Legal Services	316.5	327.2	327.2	0.0	0.0
Total	\$36,584.6	\$49,698.3	\$49,767.7	\$ 69.4	0.1

Notes: n/a = actual appropriation or budget data not available. Guaranteed Student Loans are budgeted differently because of the Federal Credit Reform Act of 1990. The adjusted amount shown for FY 1991 Actual is what would be spent in FY 1992 if the President's proposed program reductions were rejected.

*After Gramm-Rudman-Hollings (in FY 1990) or P.L. 101-512 (in FY 1991) reductions.

Major Entitlements in the President's Proposed Fiscal Year 1992 Budget

	FY 1992 Current Policy (millions)	FY 1992 Proposed Amount (millions)	Change Proposed in Amount (millions)	Change Proposed in Amount (percent)
Food Stamps	\$ 19,650.0	\$ 19,650.0	\$ 0.0	0.0
Child Nutrition (School Lunch, School Breakfast, and Summer Feeding)	4,818.3	4,818.3	0.0	0.0
AFDC & Child Support	15,237.0	15,117.0	-120.0	-0.8
Foster Care & Adoption	2,544.0	2,297.4	-246.6	-9.7
Medicaid	59,899.0	59,832.0	-67.0	-0.1
Total	\$102,148.3	\$101,714.7	\$ -433.6	-0.4

widespread cynicism about the efficacy of government interventions is belied by the range of programs and services for children that repeated evaluations have proven to be effective.

Preventive Investments

\$1	for childhood immunizations	SAVES	\$10	in later medical costs
\$1	for the prenatal component of WIC (the Special Supplemental Food Program for Women, Infants, and Children)	SAVES	\$3	in short-term hospital costs
\$1	for comprehensive prenatal care for women through Medicaid	SAVES	\$3.38	in later health costs
\$1	for the Job Corps	SAVES	\$1.45	in lost earnings and later crime and welfare costs
\$1	for quality preschool education	SAVES	\$4.75	in later special education, crime, welfare, and other costs

The reasons for making early investments to avoid later preventable costs are equally powerful in other areas. It costs five times as much to pay for a student to repeat a grade in school as to provide a year of compensatory education that helps avoid grade repetition. It costs four times as much to shelter a homeless family in a central city hotel as to provide housing assistance, homelessness prevention, and support services. It costs two to three times more for one year of foster family care for one child than for family preservation services to avert the need for out-of-home care.

But all of these proven programs for children and families are shortchanged consistently by the president's FY 1992 proposals:

- The Chapter 1 compensatory education program and the Job Corps don't even get increases equal to inflation.
- Head Start gets a boost that is marginally above inflation, but the president makes no serious effort to move toward full funding for the program by 1995, as promised in the reauthorization bill he signed last year. Indeed, at the pace of added funding the president proposes, it would take until the year 2171 to achieve the four-year goal that he agreed to a few months ago.
- Immunizations are boosted by \$40 million, but that is millions less than the amount recommended in January by the National Vaccine Advisory Committee to deal with a 16-fold increase in measles since 1983.
- Medicaid coverage is not reduced but the president does not propose any further expansions, despite the recommendations of the White House Task Force on Infant Mortality.
- WIC is expanded only about 5 percent over levels necessary to keep pace with inflation, even though nearly half of eligible mothers and children remain unserved.
- Funding for state efforts to prevent placement of children in foster care is reduced by tens of millions of dollars.

In the aggregate, these six programs and activities (which are among the most effective and cost-saving interventions the country has for children and families) lose ground to inflation. And they just begin the long list of major programs for children and families that are cut, frozen, or given nominal increases that do not keep up with the cost of living, including: the Title V Maternal and Child Health Block Grant; Community and Migrant Health Centers (services for 250,000 patients are cut); child abuse prevention and treatment programs; the Juvenile Justice and Delinquency Prevention Act (eliminated completely); the Alcohol, Drug Abuse and Mental Health Block Grant; public and rural housing; services for homeless families; job training and summer jobs for youths; and energy assistance for the poor.

New Budget Rules Prevent Meaningful Spending Choices

New budget procedures put in place by last fall's budget agreement are making it more difficult than ever to invest new, but necessary, funding in critical programs for children and families.

These new budget rules place a cap on total domestic discretionary spending (spending on domestic programs other than "entitlements" such as food stamps, social security, and AFDC). The cap generally does not allow room for domestic spending overall to rise beyond what is needed to keep pace with inflation. If specific programs are given more, others must be given less. Separate caps are placed on spending for defense and for international affairs, and the rules for increasing spending in entitlement programs are tightened up as well.

The cap on domestic spending makes it extremely difficult to seek necessary improvements in programs. And by prohibiting the transfer of funds from the defense category to the domestic, these caps and new budget rules tie the nation's hands in setting meaningful spending priorities for at least the next two years. They preclude redirecting to urgent domestic needs any of the money for defense spending that is not associated with the Persian Gulf war.

Under the 1990 budget agreement, the extra military costs associated with Desert Shield and Desert Storm are counted in a budget category separate and above the main \$291 billion military budget. The Pentagon estimates that up to 60 percent of this "main" military budget -- about \$170 billion to \$180 billion -- is oriented toward a European mission even though the Warsaw Pact has collapsed, and East and West Germany have united under the NATO banner. A wide range of experts believe continuing defense expenditures during the 1990s at these extraordinarily high levels is extremely wasteful. Yet President

Bush proposes to keep defense spending -- over and above Persian Gulf costs -- at a level above any year before 1989. The average annual main defense budget for 1989 to 1993 would be \$300.8 billion. The average in the eight years of the Reagan presidency was \$235.3 billion a year.

There are no caps on the growing needs of America's families. As long as budget rules are allowed to limit the amount of money that can be invested in children and families and to keep the defense budget artificially high, those needs will continue to grow, endangering future generations of Americans and, indeed, the future of our country.

The President's Block Grant Proposal

A separate proposal in the Bush budget, a sort of watered-down New Federalism or revenue-sharing, would take roughly \$15 billion of programs, abolish them, and give the states the money with few or no strings. The Administration demonstrated that its interest in this proposal is mostly symbolic by not even specifying which programs it wants to put in this mega-block grant. Instead it provided a list of illustrative programs that it felt could be treated this way, and it showed its disinterest in children and poor families by drawing eight of the 11 examples from programs serving them, including the Title XX Social Services Block Grant; the Low Income Home Energy Assistance Program; funding of administrative costs for AFDC, Medicaid, and food stamps; a set of public housing programs; the Community Development Block Grant; and the Chapter 2 education block grant.

Putting these programs in the structure the president proposes at a minimum would abandon the few protections children have in them, and likely soon would lead to a shift of the resources away from those families most in need. Government programs must evolve and respond to

Moreover, four months after the president attended a World Summit for Children at which he and more than 70 other heads of state pledged to make meaningful efforts to provide the relatively small amount (\$2.5 billion per year) needed worldwide to save the lives of 150 million children in the developing world from hunger and preventable disease in this decade, he now wants to reduce the U.S. contribution to UNICEF from \$75 million to \$55 million.

All of these cuts and freezes are not the result of war or recession or deficits. They result from short-sightedness and indifference -- official child neglect.

changing realities, and there are areas where states need more flexibility, but masking the actual dissolution of programs that help the poor under block grant or federalism proposals is a harmful strategy.

As block grants are created, much of the original targeting and thrust of the underlying programs is diluted, even when the need remains. This is evident in programs such as Title XX and Chapter 2, which have lost some impetus (and funds) in part because of the block grant approach taken to them. To put these programs into one huge revenue-sharing block grant would produce the short-term demise of the programs -- and likely the long-term demise of the federal money for the state governments, as happened with the now-defunct revenue-sharing program. Ironically, the general revenue-sharing program gave states and localities in the mid-1970s about \$15 billion (in FY 1990 dollars), before it was ended. This is the amount the states would have at risk again in the president's new proposal. And even if the federal funds do not disappear the way revenue-sharing did, the mega-block grant will be unadjusted for the cost of living and by 1996 the states already will be short 15 percent because of inflation.

This neglect is not necessitated by the Persian Gulf war. The current estimated cost of that war after the allies' financial contributions are counted -- perhaps \$15 billion -- is being held off budget and is not pointed to by the president or Darman as a cause for not funding other needs.

Nor are families and children shortchanged because of the recession. The president and the Administration have worked hard -- too hard -- to ignore the recession and do not point to it either as a cause for the multiple cuts and freezes in children's programs that they propose.

Children and the Recession

In addition to placing little value on investing in America's children and families, the Administration's budget also neglects any steps that might make the current recession shorter or shallower, even though recessions have a devastating impact on children.

Secretary of the Treasury Nicholas Brady recently said that recessions are not "the end of the world" and are "no big deal." President Bush dismissed concerns about the unraveling economy, telling interviewer David Frost that after the 1981 recession ended "the economy recovered and everybody lived happily ever after."

The Administration appears to be substituting Fairy Tale Economics for the Voodoo Economics that President Bush decried while campaigning in 1980. Recessions are a big deal in the real America where families struggle to pay mortgages and food and health bills. And not everyone lives "happily-ever after" when the recession goes away. Among those who suffer worst and longest and who too often never recover are children.

The impact of recessions on children is getting worse. The recession of the 1960s caused no appreciable upsurge in child poverty, but in recession years in the 1970s and 1980s the number of poor children increased by an average of more than 750,000 a year.

When recessions end, growing numbers of children are not living happily ever after. In the ensuing periods of economic growth they increasingly are left behind. In the 1970s and 1980s economic growth raised children out of poverty at the paltry rate of 220,000 children a year, only one-fourth as fast as in the 1960s.

Because the growth periods no longer reduce child poverty as much as recessions increase it, America's child poverty rates have been ratcheting upwards and stand now at levels well above any year in the 1970s.

It is shameful that children are the poorest Americans. The president's budget ignores the astronomical and still-growing child poverty rates and proposes no steps to deal with the recession or to reduce or alleviate child poverty.

While the deficit is a major problem in this country, it too is not the reason the president shortchanges children. This country has the wherewithal to pay for what it wants and needs -- whether a war or the savings and loan bailout or space exploration.

In large ways and small, the president's budget finds money for the priorities that are important to him. At the small end of the scale, he proposes an increase for the Office of Management and Budget (OMB) itself of 10.5 percent, from \$48.3 million to \$53.4 million. The National Board for the Promotion of Rifle Practice would receive \$5 million in FY 1992. Perhaps these amounts could be better spent avoiding a reduction from \$10 million to \$2 million in the National Vaccine Program, which co-ordinates the national immunization strategy. In large part due to past official child neglect, there were 16 times as many measles cases in this country (more than 25,000) in 1990 as in 1983. This is hardly an opportune time to subvert the vaccine delivery system.

At the large end of the scale, the president again proposes a capital gains tax cut -- a budgetary luxury that could cost up to \$70 billion over 10 years in order to give those with incomes of more than \$200,000 a year an average tax cut of \$15,000. And in its budget documents OMB estimates that we will lose another \$28.6 billion in FY 1992 (and equivalent amounts in future years) because we continue to forgive the taxes owed on inherited capital gains. This is enough money to fund the CDF legislative agenda for 1991 (see box) and to wipe out poverty among children in the United States.

The president's budget just has its priorities backwards.

President Bush, through his FY 1992 budget proposal, could have provided the strong leadership this country needs to support all of America's children and young people. He could have used the budget to make it possible for more families truly to take control of their lives. Instead, the president merely has offered to America's families and children slogans, such as "empowerment" and "choice."

Empowering families to take control of their lives is crucial. But these ideas are the heart and soul of such programs as Head Start, Job Corps, Compensatory Education, WIC, and others the president has shortchanged -- programs that offer the consistent, comprehensive, preventive, esteem-enhancing help that can lead to lasting change and give youths and families real choices. Empowerment means providing child care help to poor parents so they can work, supporting poor students so they can go to college, providing preventive services so families can stay together, getting families out of shelters and into housing. The president just refuses to put the budget where his rhetoric is.

Unfortunately, as millions of poor families would tell the president, the rhetoric of empowerment and choice means little if disadvantaged children and families have neither what they need for basic survival nor the resources needed to sustain self-help efforts.

If this country is ever to break the cycles of poverty and despair, if our children are to achieve in school and beyond, they must have the basics. A child with an undiagnosed vision problem or without the means to get glasses cannot learn to her potential.

A child whose intellectual development is stunted by lead poisoning cannot excel in the classroom. Neither can one who falls asleep in class because he was awake half the night before in the noisy homeless shelter, welfare hotel, or on the street, where his family lives. Nor can a hungry child or an abused child.

Children who get a good breakfast either at home or at school and who eat nourishing lunches obviously are better fed, but they also do better on achievement tests -- they are empowered to do so. Children who benefit from high quality child care and preschool will enter school with the basic skills all children need to begin learning. Children whose families get parenting help and support are better nurtured and protected and more likely to achieve to their fullest potential.

All this is common sense. Any parent, any teacher, any doctor, and any thoughtful public official understands these connections.

That's why Congress now must do what we all know makes sense, and, through the congressional budget and appropriations process, provide children with the essential and cost-effective early investments they need to achieve.

In 1990 Congress made a good start. It enacted landmark child care legislation, the most far-reaching Head Start bill since the program's inception, significant expansions of Medicaid for poor children and youths, new programs to prevent the unnecessary separation of children from their families because of homelessness or inadequate housing, and other vital preventive services to strengthen families.

CDF's 1991 Legislative Agenda

In 1991 Congress must first fulfill the promises it made to America's children in 1990. In 1990 Congress approved historic children's legislation -- key first steps in helping to provide America's poor and near-poor children and families with the child care, Head Start, health care, family supports, and other services they so desperately need.

For example, Congress reauthorized Head Start with a promise of rising funding levels that would allow its successful services to reach all eligible preschoolers by 1994. For these new and expanded programs and services to fulfill their promises to children and families, Congress must now fulfill its promises by providing the necessary funding for:

- **Head Start** to ensure participation by all eligible preschoolers by 1994. FY 1992 increase: \$2.3 billion.
- **The Child Care and Development Block Grant** to help parents pay for child care and to help states improve the safety and availability of care. FY 1992 increase: \$93 million.
- **The Childhood Immunization program** to help stop the current spread of measles and other preventable diseases. FY 1992 increase: \$50 million.
- **The Family Resource and Support Grant** to help states build statewide networks of local family resource and support services. FY 1992 appropriation: \$30 million.
- **The Education of Homeless Children** program to help bring down the barriers that keep homeless children out of school. FY 1992 increase: \$42.7 million.
- Newly enacted programs that can address the housing needs of families whose children are at risk of being placed in foster care due to inadequate housing. FY 1992 appropriation for new **homelessness/child welfare demonstration projects**: \$12.5 million. FY 1992 appropriation for special **Section 8 housing assistance certificates** for these families: \$35 million.

Second, Congress must take the next steps necessary to strengthen families and their ability to meet children's needs. Congress must emphasize in 1991 the basics that all children and families need to be strong. It also must supplement these family-strengthening basics with legislation to meet the special needs of children in vulnerable families who face the effects of drug use, emotional problems, abuse, and neglect.

Health care

- Expand Medicaid to cover all pregnant women, infants, and children younger than 19 with family incomes below 185 percent of the federal poverty level.
- Increase funding for Community and Migrant Health Centers by \$70.1 million (for 40 new clinics) and for the National Health Service Corps by \$60 million (to deploy 1,000 additional doctors and nurses in medically underserved communities).

Child welfare and family supports

- Pass legislation to provide family preservation services, promote a community-based system of care for children with emotional disturbances, and ensure treatment for families affected by drugs.
- Pass the Family and Medical Leave Act to provide job-protected leave to workers who must care for newborn, newly adopted, or seriously ill children.

Food and nutrition

- Increase funding for WIC (the Supplemental Food Program for Women, Infants, and Children) as part of a series of steady increases so that by 1995 the program will reach all the low-income women and children who need nutritional supplements.
- Expand food stamp assistance to families with children by raising basic benefit levels, providing extra help to families that have particularly high shelter costs, strengthening incentives to make child support payments, and making other changes that will assist poor families. Families with children receive 82 percent of food stamp benefits.

Education and training

- Expand the Jobs Corps to serve more eligible young people.
- Pass amendments to the Job Training Partnership Act to enhance services to youths who face major barriers to employment.
- Strengthen and expand Part H of the Education of the Handicapped Act to provide early intervention services to very young children with or at risk of developmental delays.
- Expand educational programs such as Chapter 1 and Even Start to help disadvantaged youngsters.

In 1991 Congress must keep the promises made last year to America's children by providing the necessary funding for these vital supports.

In addition, Congress must enact new measures to strengthen families' abilities to take care of their children, including: new family preservation legislation to help prevent the unnecessary separation of families and placement of children in foster care; a crucial expansion of the food stamp program so that families with children have enough to eat each month; and job-protected family leave so that parents don't lose a job they need because they must care for a new child or seriously ill family member.

Family Income Supports

To achieve essential goals the nation has set for the year 2000 for improving the education, health, and well-being of children and youths, this country must eliminate the child poverty that stands in the way of achieving such goals. Yet one in five American children is now poor. More than 2.5 million additional children have fallen into poverty during the past decade, raising the total to 12.6 million.

The federal safety net to assist low-income families is woefully inadequate, and President Bush's budget offers no significant steps to strengthen -- and endorses several proposals to undermine -- basic income supports for poor families and children.

Food Stamps

The food stamp program is an entitlement program (spending rises with inflation and caseload growth) that provides essential noncash supplements to help meet the basic food needs of low-income Americans. Often food stamps are the only source of direct federal assistance that poor workers and their families receive. The program needs to be strengthened to provide increased assistance to families with children, since the typical allotment is not enough for an adequate diet. But the Administration's budget fails to provide for such steps and proposes instead a harmful new restriction on food stamp eligibility.

The president proposes to give states the option (initially) of making cooperation with child support enforcement a condition of food stamp eligibility, and to require such cooperation in all states by 1994. There would be no incentives for families in this

system and they might in fact lose income; it is not clear that fees, court costs, and other expenses associated with child support enforcement would be waived for poor and near-poor food stamp families under the proposal; and food stamp benefits would continue (as in current law) to be reduced for households that receive child support payments.

While vigorous child support enforcement is very important for children, it is far from if clear children could benefit from this food stamp link because most state child support enforcement systems cannot serve families already in the system adequately. Requiring additional families to cooperate with child support enforcement efforts as a condition of food stamp eligibility may well act only to erect another bureaucratic barrier that needy families must overcome. Expanded outreach to encourage voluntary participation, the creation of a disregard of child support payments for purposes of calculating food stamp benefits, and waivers of child support fees and costs for food stamp recipients all constitute more effective ways to improve child support enforcement on behalf of food stamp families.

The program can be improved for children in important ways. Congress should enact major provisions of the Mickey Leland Memorial Hunger Prevention Act to bolster food stamp assistance for low-income families with children, providing help to families with high shelter costs equal to the help currently given elderly and disabled persons with high shelter costs, and raising basic benefit levels to reflect current food costs. Congress also should focus on ways to encourage voluntary participation by food stamp families in the child support enforcement system.

**Aid to Families with Dependent Children (AFDC)
and Child Support Enforcement**

AFDC, the main income support program for poor families with children, is reaching a dwindling proportion of poor families with children and providing those it does reach with less and less assistance.

- Despite the need for major improvements in the AFDC program, the president fails to propose any steps to strengthen the program. Increasing caseloads due to high unemployment during the recession will cause federal and state AFDC expenditures to rise in FY 1992, making it even less likely that states on their own will raise AFDC benefit levels to keep up with inflation. Yet the median state's highest grant for a family of four (adjusted for inflation) fell from \$739 per month in 1970 to \$432 per month in 1990 -- a reduction of 41.5 percent.
- The Administration's budget includes a proposal to mandate that states charge both a \$25 application fee for non-AFDC families and a \$25 to \$50 annual "user fee" for families not on AFDC who receive child support collections. The proposal includes options that would allow states to absorb some or all of these fees or assess them against absent parents. However, if states absorb such costs they will have less to spend on other child support enforcement services at a time when child support resources already are woefully inadequate in many states. The likely effect of user and application fees would be to discourage some poor and near-poor families from seeking child support enforcement services. The savings associated with collection of such fees may not be worth the required effort and administrative burden, as at least one state discovered when it imposed similar fees and subsequently abandoned the effort.

Congress should reject the proposed requirement that states impose mandatory application and user fees on non-AFDC families receiving child support enforcement services, and should take steps to improve the AFDC program, including helping states raise AFDC benefits to meet rising costs of housing and other basic necessities.

Unemployment Insurance

Despite the fact that the proportion of unemployed Americans who receive unemployment insurance benefits is at the lowest level in history entering a recession, the Administration's budget fails to strengthen this essential anti-recession and family support program.

- The president proposes no steps to improve the rules regarding eligibility for benefits under the regular unemployment insurance program, which were so narrowed by changes in both federal and state policies in the 1980s that only about one in three jobless workers now receives unemployment benefits.
- Current overly restrictive rules regarding extended unemployment benefits for families suffering long-term joblessness beyond 26 weeks also would remain unchanged. These rules make the program a fantasy rather than a source of help. No state currently satisfies the unreasonably narrow federal eligibility criteria for extended benefits enacted in 1981. For example, workers in Texas would not qualify to receive extended benefits until the state's overall unemployment rate rose to an estimated 15 percent. Extended benefits typically have been authorized by presidents and Congress during earlier recessions in recognition of the fact that it takes longer for jobless workers to find employment during economic downturns.
- A supplemental appropriation of \$100 million in FY 1991 is requested for state administrative costs for unemployment offices to enable states to process claims for unemployment benefits in a more timely manner, although this amount constitutes only half of the total shortfall states now face as claim rates swiftly rise.

Congress should strengthen and expand the unemployment insurance system in response to the current recession, reducing barriers to initial eligibility for benefits and authorizing a meaningful program of extension of benefits beyond 26 weeks to assist the longer term unemployed.

Low Income Home Energy Assistance Program

The Low Income Home Energy Assistance Program (LIHEAP) is the major federal program to help low-income families pay the frequently overwhelming costs of home energy. Between FY 1985 and FY 1991, budget cuts reduced LIHEAP funding by one-third, from \$2.1 billion to \$1.4 billion, and when adjusted for inflation LIHEAP's FY 1991 funding was equal to roughly half its FY 1985 level.

The president proposes to cut LIHEAP by another \$490 million (35 percent) to \$925 million in FY 1992. The rationale offered by the U.S. Department of Health and Human Services is that "LIHEAP was never intended to meet the entire home energy costs of low-income households" and that "states [should] use other resources to cover a greater share of low-income home energy assistance needs."

Even at FY 1991 levels, however, LIHEAP covers less than one-third of the average annual home energy costs for the poor in almost every state. A typical family receiving LIHEAP assistance still has to spend between 15 and 20 percent of its total income on energy bills. Given the difficult budget situations faced by most states amidst a deepening recession, the Administration's suggestion that states suddenly assume a greater share of home energy costs for low-income families is wholly unrealistic.

Recognizing the continuing need for home energy assistance for low-income families, Congress should reject the proposed reductions in LIHEAP and improve the program so that it covers a more reasonable share of low-income families' home energy costs.

Job Training Programs

The development of a well-educated and well-trained work force is a prerequisite for this nation's productivity, growth, and economic prosperity in the highly competitive global marketplace. Strong job training programs, especially for noncollege-bound youths who have fared so poorly in the labor market during the past two decades, can provide the extra boost needed for a successful transition from school to work and employment at wages adequate to support a family.

Yet young people are not receiving the public help they need to enter the job market with strong academic and vocational skills. As better paying jobs increasingly demand such skills, inadequately trained young workers more often find themselves in low-wage employment with little prospect for advancement. Between 1973 and 1989, the median wage of hourly workers younger than 25 (adjusted for inflation) fell by 17 percent among women and 29 percent among men. Despite these trends, President Bush's budget proposes funding for job training at levels too low even to keep pace with inflation, ignoring his own Administration's warnings of an impending skills crisis that is particularly severe for disadvantaged youths.

JTPA Youth Programs

The Job Training Partnership Act (JTPA) is the major source of federal support for job training programs for youths and adults. The Administration's budget renews a proposal advanced in the 101st Congress to create a new program exclusively focused on job training for disadvantaged youths. Much of the current funding for such programs is combined with JTPA funds for training services for adults, and last year's proposal to establish a separate youth title within

JTPA failed to receive final approval prior to adjournment. The president also renews a proposal to create an important new youth initiative targeted on inner cities and rural areas with high poverty rates.

The proposed youth training title of JTPA would receive \$1.088 billion in FY 1992, and the new Youth Opportunities Unlimited initiative would be funded at \$25 million. Unlike the \$300 million increase in youth funding proposed in the Administration's FY 1991 budget (an increase that did not occur) these FY 1992 proposed totals fall slightly below current funding levels for the existing programs that would be reorganized under the new title.

In the absence even of increases to keep pace with inflation, fewer youths will receive training services in FY 1992 than in FY 1991 despite rising unemployment during the current recession. Overall, total federal spending for job training for youths and adults under JTPA would decline by \$47.8 million (1.2 percent) and an estimated 236,000 fewer youths and adults would receive training services.

Congress should reject proposed cuts in JTPA funding for youth programs, and instead should respond to increasing barriers to employment among disadvantaged youths and the growing need for training by authorizing a separate youth title within JTPA at substantially increased funding levels.

Job Corps

Of all federally funded youth employment efforts, the Job Corps has the longest and most solid record of success and cost-effectiveness. The program serves severely disadvantaged youths in more than 100 residential centers throughout the nation. Eval-

uations have documented that Job Corps' education, training, and support services yield \$1.45 in benefits for every \$1 invested in the program. Yet the program only has the capacity to serve 65,000 youths annually, roughly one in seven of all school drop-outs living in poor families who are unemployed or wholly out of the labor force.

- The president proposes to freeze Job Corps funding at the FY 1991 level of \$867.5 million, providing no increase even to offset inflation. These real reductions in Job Corps funding (after adjusting for inflation) would jeopardize essential and long overdue program improvements designed to preserve the quality of Job Corps education, training, and support services, including steps to update educational and vocational training curricula, repair and renovate facilities, stem the erosion due to inflation of student stipends, and expand critical substance abuse prevention and treatment programs.
- Despite widespread support within and outside of Congress for expansions of Job Corps to serve a greater proportion of eligible youths, the Administration's budget also fails to include any expansion plans and calls for cancellation of four of six new centers already authorized by Congress and scheduled to open by 1993.

Congress should increase Job Corps funding to offset inflation and fund essential program improvements, and pursue a sound expansion strategy by opening new centers in underserved regions (including but not limited to those already authorized).

Job Training for the Homeless

The McKinney Act authorizes modest federal funds for job training services targeted to homeless individuals. While \$12.7 million was provided for these purposes in FY 1991, the president proposes to transfer these funds from the U.S. Department of Labor to the U.S. Department of Housing and Urban Development (HUD) and to combine them with other funds for services to the homeless in a new block grant funded at sharply reduced levels. (See section on housing and homelessness for further discussion of this proposed budget reduction and block grant consolidation.)

Employment and Income Support: Funding and Budget Requests, FY 1981 - FY 1992
(in millions of dollars)

	CETA/ JTPA ¹	JTPA Basic Block Grant to States ²	CETA/ JTPA Summer Youth ²	JTPA Adult Training ²	JTPA Youth Training ²	Job Corps ²	WIN	AFDC ³ (JOBS)	Food Stamps
FY 1981 actual	\$7,143.0	--	\$900.0	--	--	--	\$365.0	--	\$11,470.0 ⁴
FY 1982 proposed	3,567.0	--	--	--	--	--	--	--	9,756.0
FY 1982 actual	3,023.2	--	720.6	--	--	--	268.6	--	11,079.3 ⁴
FY 1983 proposed	2,387.0	--	724.5	--	--	--	11.4	--	9,531.1
FY 1983 actual	3,990.4	--	824.5 ⁵	--	--	\$621.7	270.8	--	11,989.7
FY 1984 proposed	3,643.3	--	724.5	--	--	585.6	0.0	--	10,901.3
FY 1984 actual	3,605.2	\$1,886.2	724.5	--	--	599.2	270.8	--	11,722.9
FY 1985 proposed	3,610.6	1,886.2	637.5	--	--	600.0	0.0	--	10,780.9
FY 1985 actual	3,748.7	1,886.2	824.5 ⁵	--	--	617.0	266.8	--	11,743.0
FY 1986 proposed	2,805.5	1,886.2	664.5	--	--	0.0	0.0	--	11,855.8
FY 1986 actual	3,461.0	1,863.2	664.5	--	--	640.0	220.0	--	11,764.9
After Gramm-Rudman	3,312.3	1,783.1	636.0	--	--	612.5	210.5	--	11,762.3
FY 1987 proposed	2,909.6	1,820.0	428.0	--	--	351.7	0.0	--	11,518.6
FY 1987 actual	3,656.0	1,840.0	750.0	--	--	656.4	126.0	--	11,793.3
FY 1988 proposed	3,285.5	1,783.0	650.0	--	--	651.7	0.0	--	11,684.6
FY 1988 actual	3,757.3	1,809.5	718.1	--	--	716.1	92.6	--	12,638.9
FY 1989 proposed	3,430.8	1,809.5	718.1	--	--	710.6	0.0	--	12,519.7
FY 1989 actual	3,737.8	1,787.8	709.4	--	--	741.8	91.4	--	12,859.5
FY 1990 proposed	3,857.7	1,787.8	709.4	--	--	761.6	--	\$ 350.0	13,364.5
FY 1990 actual	3,984.7	n/a	n/a	--	--	n/a	--	369.0	15,527.7
After Gramm-Rudman	3,929.0	1,744.8	699.8	--	--	802.6	--	369.0	15,527.7
FY 1991 proposed	3,770.0	--	--	\$ 965.5	\$1,769.0 ⁶	818.0	--	880.0	15,406.7
FY 1991 actual	4,079.5	1,778.5	682.9	--	--	867.5	--	880.0	18,276.7
FY 1992 proposed	4,031.7	--	--	1,088.0	1,337.6 ⁶	867.5	--	1,000.0	19,650.0

		Change From
FY 1992 Current Policy	FY 1992 Proposed	Current Policy
		Percent Change

AFDC and child support \$14,504 \$14,384 -\$120 -0.8%

Note: n/a = actual appropriation data not available.

¹The Comprehensive Employment and Training Act (CETA) was replaced by the Job Training Partnership Act (JTPA) in FY 1984. The CETA appropriation in FY 1981 included \$2.195 billion for public service employment, which was eliminated in FY 1982.

²These five individual columns are also included in the CETA/JTPA total column.

³Totals for the JOBS program reflect authorized ceilings for entitlement funding. Actual federal expenditures for JOBS totaled \$148 million in FY 1989, \$265 million in FY 1990, and \$652 million in FY 1991. The administration's estimate for outlays in FY 1992 is \$867 million.

⁴Actual food stamp funding levels shown here for FY 1981 and FY 1982 included funds for the food stamp program in Puerto Rico through June 30, 1982. Food stamp funding levels for other years do not include Puerto Rico, since the food stamp program in Puerto Rico was ended on June 30, 1982 and replaced by a nutrition block grant.

⁵Included supplemental appropriation.

⁶A separate youth title in JTPA is proposed by the Bush Administration as a change in authorizing legislation, combining youth funds from the basic block grant to states with those from the Summer Youth Employment Program. Administration budget requests included \$50 million in FY 1991 and \$25 million in FY 1992 for proposed new Youth Opportunities Unlimited (YOU) program for inner cities and poor rural areas.

Education

America's public schools continue to struggle to educate their students despite rising poverty, increasing demands that they teach higher skills, and limited resources. President Bush wants to be the "education president," but he continues to disappoint these students and schools through an insufficient commitment to supporting public education and the current shift to supporting private schools under the label of "choice."

Even after the gesture of working with governors to set national education goals, the president persists in proposals that undermine public education, especially for low-income, minority, urban, and rural school children. In some cases the president's proposals directly undercut the objectives of the national education goals: to prepare all young children for school, to increase the graduation rate, to raise student achievement, to become first in the world in math and science, to attain 100 percent adult literacy, and to make all schools safe and drug-free.

Vouchers and Choice

The \$29.6 billion FY 1992 proposed federal education budget includes nearly \$500 million of new or diverted funds to support parents' choice of either private or public schools through "certificates" or vouchers, a state grant program encouraging choice, and support for magnet schools unrelated to desegregation. These "choice" initiatives not only represent a significant departure from the federal government's role in education of supporting public schools in ways that ensure equity for historically underserved groups, they actively thwart this role.

Quickly diverting large amounts of federal funds to support widespread choice activities works at cross-purposes to the core goals of equity and school improvement. The population already in a privileged position -- the more affluent and better educated parents -- are most likely to reap the greatest benefits from the school choice "cafeteria line." Without equitable resources, neither poor and minority children nor economically depressed schools can compete evenly in the open-market choice environment. While carefully controlled local or state experiments with public school choice may produce useful lessons for our schools, the president's budget does nothing to ensure that competition in the proposed choice programs occurs on a level playing field.

One source of choice funds is the Chapter 2 Educational Improvement Block Grant that currently is intended to expand states' and local districts' capacity for public school improvement and reform. The president proposes to level-fund Chapter 2 (\$448.9 million) with no adjustment for inflation, but to increase the proportion allotted to state grants from 20 percent to 50 percent and encourage states to use the re-allotment for supporting choice programs. Additional resources would come from the Educational Excellence Act, which earmarks more than \$230 million for other choice initiatives, including a certificate program, state choice demonstration projects, and magnet schools unrelated to school desegregation.

The remainder of the president's education budget suggests that schools serving poor students will get less help in the competitive marketplace he envisions, and that their students will not get much help making the transition to college.

Congress should reject any choice proposal that includes private schools. Chapter 2 funds should continue to be authorized for intended school improvement efforts. Funds that have been diverted to finance choice programs should be spent on improving the quality of schools.

Chapter 1

Chapter 1 is the federal compensatory education program that helps local school districts serve economically and educationally disadvantaged students, and helps states provide educational services to children of migrant workers and neglected and delinquent children in state care. Chapter 1 continues to be funded at a level far short of what is needed to provide services to all eligible children. It now serves only three of five eligible children. The president's request for \$6.2 billion in FY 1992 is a proposed increase of \$148 million. However, to keep the whole program in step with inflation would cost \$123.5 million more than the president has proposed.

Moreover, the president wants \$119 million of the increase to go to the Concentration Grants portion of Chapter 1 for jurisdictions with at least 6,500 children living in poverty or where low-income children constitute at least 15 percent of the school-age population. While the budget suggests that more children would be served, the Administration in reality is reducing what it intends to spend per child, after inflation is factored in. Financially strapped school districts and states will have to make up for inflation on their own (an unreasonable burden for them to assume in the current fiscal situation), cut the number of children served, or reduce services to poor children in quantity and quality.

Congress should build on the president's proposed funding level and expand Chapter 1 at least in accordance with its 1988 schedule.

Bilingual Education

The president's budget request for bilingual education ignores the growth in numbers and increased diversity of the immigrant population that has integrated the entire nation during the past decade. The FY 1992 budget request -- \$171.5 million -- is less than the \$175 million spent in 1981, even before inflation is factored in. A nominal \$2.8 million increase in FY 1992 for basic programs is about \$3.9 million less than what is needed just to keep up with inflation, let alone to meet the needs of this growing and diverse group of students. Teacher training and research are not increased at all, severely stifling the capacity of schools to provide needed services.

In the state of California alone, the number of language-minority students tripled during the 1980s. Similar growth has occurred, as the 1990 census attests, in such far-flung places as Montana and Massachusetts. The languages being spoken are far more diverse than they were in the early 1980s as well, and schools face the staggering challenge of meeting the needs of student populations that may speak as many as 30 languages.

Congress should provide sufficient funding to permit real (inflation-adjusted) growth in the basic bilingual program and provide for increases in the teacher training and research components of the program.

Special Education

Funding for the Individuals with Disabilities Education Act (formerly the Education for the Handicapped Act) would gain a modest 1.5 percent above inflation under the president's proposal, rising to \$2.6 billion. The federal share of states' excess costs in serving children with special needs continues to fall far short of the original law's intention and authorization to meet 40 percent of such costs. The FY 1991 budget authority of \$2.46 billion provided only 9 percent. To reach the 40 percent contribution level the special education budget would have to be more than quadrupled. The president's proposal of a \$38 million above-inflation increase would establish a pace that would require more than a century to raise the federal contribution to such a level. The nation will get little help in raising achievement for children with special needs from this proposal.

Congress should build on the president's funding request and provide a real increase to all programs for disabled students.

School Lunch Programs

The president proposes an increase in the public subsidy and a substantial reduction in the maximum charge to lower income families for reduced-price student lunches, an excellent step toward easing such students' access to the program.

However, the president also wants to decrease the subsidy to districts for lunches for which moderate- and higher income students pay, thereby increasing the price of meals for half the children in the School Lunch program. The net effect is that the FY 1992 request (\$3.9 billion) would maintain the current overall support for the school lunch program.

School districts would have three choices in coping with the subsidy reduction for the moderate-income students: pass the costs on to families, absorb the costs into already tight budgets, or cut overall school lunch services. The last two choices reduce the quality of food services to all children, including the poor. The risk of the first choice -- passing on the costs to families -- is that so many students will pull out of the lunch program that numerous schools will feel declining participation makes the program more trouble than it is worth, so poor children could lose out completely. Getting and keeping school participation is already a problem in many areas.

Government-sponsored research has shown the benefits of adequate nutrition to school achievement. The School Lunch program is intended not only as a subsidy, but also as insurance that all children will receive nutritious, well-balanced meals. Playing budget games with a program with such a strong record and clearly proven effects runs counter to the goals of school readiness and raising achievement.

Congress should provide sufficient funding to permit subsidies to districts for lunches for which moderate-income students pay.

Higher Education

The president's budget request of \$12.6 billion for financial aid for low- and middle-income students in higher education again reflects a decade-long trend toward favoring loans over grants. The good side of the request is a proposal for small (\$500) merit-based scholarships for Pell Grant recipients and increases in Pell Grant levels from \$2,400 to \$3,700 for poor students. But under the president's proposal 414,000 fewer young people will be eligi-

ble for grants and scholarships large enough to pay for higher education, and more will have to rely on loans. While grants are targeted at the neediest students with annual family incomes of less than \$10,000 a year -- an amount below the poverty line for a family of three -- this shift will increase the loan debt of near-poor and moderate-income students, or discourage them from going to college at all.

With college costs soaring far faster than inflation and potential loan debts reaching from \$17,000 to \$22,000 for a college education, families making \$13,000 per year are in no position to cope with grant reductions and loan increases. Thus the president's proposal to cut back on the number of available Pell Grants and Work-Study funds for lower income students, and the proposal to shift full responsibility for some loans to states, would further weaken the federal commitment to giving grants and low-interest loans to low- and middle-income college students. Once again, the nation will get little help toward the goal of increasing the college-going rates of minority and poor youngsters.

Congress should create a financial aid framework in which the proportion of aid given is one-third loans and two-thirds grants.

Education: Funding and Budget Requests, FY 1981 - FY 1992
(in millions of dollars)

	Chapter 1 Compensatory Education	Chapter 2	Bilingual Education	Education of the Handicapped	Vocational Education	Student Financial Assistance	Guaranteed Student Loans	TRIO
FY 1981 actual	\$3,514.8	\$ 536.8 ²	\$175.0	\$1,103.0	\$ 779.2	\$3,356.5	\$2,523.3	\$159.5
FY 1982 proposed	-- ³	4,361.7 ³	140.0	-- ³	623.4	3,793.7	1,773.8	159.5
FY 1982 actual	3,034.0	470.4	138.0	1,068.6	655.8	3,569.5	3,073.8	155.0
FY 1983 proposed	1,942.0	432.0	94.5	845.7	500.0 ⁴	1,800.0	2,484.6	82.2
FY 1983 actual	3,200.4	479.4	137.8	1,199.3	728.7	3,617.8	3,090.0	154.7
FY 1984 proposed	3,014.0	478.9	95.0	1,110.2	500.0 ⁴	3,567.8	2,047.1	35.0
FY 1984 actual	3,480.0	479.4	169.2	1,240.6	739.0	3,986.9	2,253.7	164.7
FY 1985 proposed	3,480.0	728.9 ⁶	139.2	1,214.4	738.5 ⁷	3,654.0	2,840.7	82.4
FY 1985 actual	3,688.2	531.9	172.9	1,321.3	738.5 ⁷	4,871.0	3,078.0	174.9
FY 1986 proposed	3,646.6	531.9	142.9	1,306.1	738.5	3,569.0	2,714.5	82.4
FY 1986 actual	3,688.2	528.9	172.9 ⁸	1,411.0	838.8	4,887.0	3,300.0	176.4
After Gramm-Rudman	3,529.6	506.2	168.9 ⁸	1,349.7 ⁹	813.4 ⁷	4,675.4 ¹⁰	3,260.0 ¹⁰	168.8
FY 1987 proposed	3,688.2	528.9	143.0 ¹⁰	1,303.1	408.1 ⁷	3,812.6	2,329.6	82.4
FY 1987 actual	3,944.2	529.3	180.6 ⁸	1,741.9	882.0 ⁷	5,483.0	2,717.0	176.4
FY 1988 proposed	4,144.2	529.3	143.1	1,488.2	0.0	3,336.0	1,176.6	82.4
FY 1988 actual	4,327.9	503.7	146.6	1,869.0	888.2	5,544.8	2,565.0	205.8
FY 1989 proposed	4,566.1	575.0	156.6	1,916.9	888.2	6,099.6	2,735.6	205.8
FY 1989 actual	4,570.2	490.7	151.9	1,961.3	918.4	5,814.3	4,066.8	219.3
FY 1990 proposed	4,721.5 ¹¹	507.2	157.1	2,013.8	949.5	5,845.0	2,962.5	228.2
FY 1990 actual	5,425.1	494.0	168.5	2,083.7	942.5	6,175.1	3,826.3	245.0
After Gramm-Rudman	5,183.8	487.9	158.5	2,055.2	937.7	6,090.8	3,856.3	241.8
FY 1991 proposed	5,604.4	506.6	175.4	2,137.4	937.8	6,352.4	3,108.0	269.7
FY 1991 actual	6,214.8 ¹³	484.6 ¹⁴	168.7	2,467.5 ¹⁵	1,011.9	6,713.7	4,209.8 ¹⁶	343.6
FY 1992 proposed	6,339.9	477.7	171.5	2,604.2	1,010.9	6,713.6	5,681.6	395.1

Note: n/a = actual appropriation data not available.

¹Includes commodities for child nutrition.

²Total FY 1981 funding level of Chapter 2 Block Grant antecedent programs.

³Proposed Elementary and Secondary Education Block Grant to consolidate 50 individual programs.

⁴Proposed Vocational and Adult Education Block Grant.

⁵Proposed to repeal, include in block grant.

⁶Proposed increase to fund state education reform initiative recommended by National Commission on Excellence in Education.

	School Lunch ¹	School Breakfast	Summer Food
FY 1981 actual	\$3,004.5	\$322.6	\$148.8
FY 1982 proposed	2,120.0	299.5	0.0
FY 1982 actual	2,486.4	319.4	88.8
FY 1983 proposed	2,665.3	-- ⁵	0.0
FY 1983 actual	2,833.5	354.4	91.9
FY 1984 proposed	2,709.3	-- ⁵	-- ⁵
FY 1984 actual	3,004.1	364.9	104.6
FY 1985 proposed	3,138.4	393.4	-- ⁵
FY 1985 actual	3,134.9	407.0	115.1
FY 1986 proposed	2,868.5	414.5	117.2
FY 1986 actual	3,158.5	404.9	121.8
After Gramm-Rudman	3,158.5	404.9	121.8
FY 1987 proposed	2,911.2	414.1	111.7
FY 1987 actual	3,478.2	468.3	128.0
FY 1988 proposed	3,038.9	454.5	115.4
FY 1988 actual	3,497.3	473.2	136.3
FY 1989 proposed	3,709.8	514.5	147.8
FY 1989 actual	3,265.0 ¹²	513.0	146.7
FY 1990 proposed	3,865.5	560.9	160.6
FY 1990 actual	n/a	n/a	170.9
After Gramm-Rudman	3,431.8	564.4	163.3
FY 1991 proposed	3,445.2	606.0	179.7
FY 1991 actual	3,700.1	656.8	179.0
FY 1992 proposed	3,896.0	726.1	196.2

⁷Includes bilingual vocational training.

⁸Includes migrant education.

⁹Excludes funds transferred to salaries and expenses.

¹⁰Bilingual vocational training transferred to Office of Vocational and Adult Education; includes funds authorized under Bilingual Education Act and since FY 1984 Emergency Immigrant Education Act.

¹¹Special emphasis was to be given to Chapter 1 schools in the proposal for a Presidential Merit Schools Competition, but no funds were requested to expand the Chapter 1 program.

¹²As of FY 1989 actual, calculation includes School Lunch Program plus FNS Commodity Procurement only.

¹³Includes funds for the Chapter 1 Handicapped Program, although the line item for this program is now listed under Special Education and Rehabilitative Services.

¹⁴Includes funds for the National Diffusion Network and Blue Ribbon Schools, two discretionary programs authorized by Chapter 2 but now contained in the Educational Research and Improvement section of the budget.

¹⁵Excludes funds for the Chapter 1 Handicapped Program.

¹⁶The Department of Education introduced a new method of budgetary treatment of the Guaranteed Student Loan program in order to comply with the Federal Credit Reform Act of 1990. Thus, beginning with the FY 1992 budget, the cost of loan commitments made prior to FY 1992 is displayed separately in a liquidating account, and the total subsidy costs are displayed in the program account. For purposes of this chart, our figure consists of the sum of the liquidating account and the program account; program administration funds are excluded. Since accounting procedures have been substantially changed, figures prior to FY 1992 should not be compared with later figures.

Child Care and Child Development

The care and experiences of young children during the earliest and most critical years of their development can either build or undermine the foundation for their future learning and achievement. When their safety is ensured, their health needs are identified and addressed, their natural intelligence is stimulated, and their needs for stability and security are met, young children can develop and enter school fully equipped for the challenges of learning. In contrast, when their health and safety are ignored and their intellectual and emotional development is stunted through neglect, obstacles to achievement quickly multiply and often frustrate later attempts to learn in school.

More than 10 million children younger than six (51 percent) now have mothers who work outside the home. These children need quality care. Children in low-income families have the most to gain from a strong early childhood experience, yet their parents often lack the resources to afford supportive and safe child care.

In 1990 Congress passed and the president signed historic comprehensive child care legislation. It included a combination of direct child care assistance to families, incentives designed to improve the quality and accessibility of care, and new tax credits that offered additional income to low-income families.

The president, in his proposed budget, fails to honor his commitment to fund the Child Care and Development Block Grant -- the cornerstone of this package -- until so late in FY 1992 that families and children will be denied a year of help in meeting their child care needs. Landmark Head Start legislation also was enacted

in 1990, authorizing the funds necessary to serve all eligible children by FY 1994. But the president proposes a \$100 million increase, barely enough funds to allow programs to maintain current services, and a major step away from the commitment to full funding by 1994.

Child Care

- Last year Congress and the Bush Administration made a major commitment to improving families' access to quality child care with the passage of the Child Care and Development Block Grant and the Title IV-A Child Care Amendments. The legislation was the product of negotiations between the Administration and Congress. The agreement included graduated increases for the Block Grant over a three-year period, authorizing \$750 million for FY 1991, \$825 million for FY 1992, and \$925 million for FY 1993. The president, by recommending that FY 1991 funds be spread over FY 1991 and FY 1992 and no new funds be available until the end of FY 1992, effectively denies children and families an entire year of child care assistance. He also backs away from the commitment to increase the funding level from \$732 million to \$825 million, recommending the next appropriation be \$732 million.
- Last year's child care legislation also authorized an expansion to \$50 million from \$13 million in a special program to help states improve the quality of child care. Funds are used for critical activities including training of child care workers, improving the licensing and monitoring of child care programs, and enforcing child care standards. President Bush would limit funding to \$13 million.
- States use the Title XX Social Services Block Grant to help low-income families pay for child care as well as for a range of other human services programs. The president proposes no Title XX increase over FY 1991 funding levels, although since 1975 Title XX has eroded to a level worth only about half its previous purchasing power, because of funding stagnation in some years and real reductions in others.

Congress should appropriate \$825 million for FY 1992 for the Child Care and Development Block Grant and make these funds available to states at the start of the fiscal year. In addition, \$50 million should be appropriated to fund quality improvement activities.

Head Start

Since 1965 Head Start has provided comprehensive services including health, education, social services, and parent involvement to more than 11 million poor children. Head Start served more than 548,000 children in 1990, only 27 percent of eligible children. Last year, during Head Start's twenty-fifth anniversary, Congress acknowledged the extraordinary benefits of the program to both low-income children and their families by reauthorizing Head Start at increasing funding levels sufficient to serve all eligible children by FY 1994. In addition, funds were set aside to strengthen program quality. This set-aside would help alleviate the painful choices that programs were making between serving as many children as possible within their communities and cutting back on the quality of services offered to children.

President Bush's proposed FY 1992 budget backs off from the promises he made to children in signing the Head Start legislation. He recommends adding only \$100 million in FY 1992 to the Head Start program, in sharp contrast to the \$500 million increase he recommended last year, much less the larger amount needed to move toward the 1994 goal. He suggests this small increase could allow approximately 33,000 more children to be served, but in fact this amount barely provides programs with enough funds to maintain current services. The president thus is trying to abandon the long overdue initiative that would phase in quickly the enrollment of all eligible children in Head Start and invest in key ways to improve both Head Start's quality and its ability to serve families.

Hiring additional support staff, improving facilities, extending the length of the Head Start day, serving younger children, and improving staff salaries were among the central goals of the 1990 law. The president's budget totally ignores the commitments included in the 1990 reauthorization, leaving programs with the funds neither to serve the children on their waiting lists nor to provide the comprehensive services that are the hallmark of Head Start.

Congress should appropriate \$4.3 billion for Head Start (an increase of \$2.3 billion) in FY 1992 in order to move toward true full funding and get on track to fulfilling the 1994 commitment.

Child Care and Head Start: Funding and Budget Requests, FY 1981 - FY 1992
(in millions of dollars)

	Head Start ¹	Child Care and Devel- opment Block Grant	Non-AFDC "At Risk" Child Care	AFDC Child Care ²	Child and Adult Care Food Program	Social Services Block Grant/ Title XX
FY 1981 actual	\$ 820.0	--	--	--	\$ 295.0	\$2,991.8
FY 1982 proposed	911.7	--	--	--	242.8	-- ³
FY 1982 actual	911.7	--	--	--	270.5	2,460.0
FY 1983 proposed	912.0	--	--	--	-- ⁴	1,974.1
FY 1983 actual	912.0	--	--	--	335.2	2,456.0
FY 1984 proposed	974.7	--	--	--	-- ⁴	2,560.0
FY 1984 actual	995.0	--	--	--	378.1	2,700.0
FY 1985 proposed	995.0	--	--	--	-- ⁴	2,700.0
FY 1985 actual	1,075.1	--	--	--	434.9	2,725.0
FY 1986 proposed	1,075.1	--	--	--	322.3	2,700.0
FY 1986 actual	1,087.1	--	--	--	475.8	2,700.0
After Gramm-Rudman	1,040.1	--	--	--	475.8	2,583.9
FY 1987 proposed	1,075.0	--	--	--	338.1	2,700.0
FY 1987 actual	1,130.5	--	--	--	551.3	2,700.0
FY 1988 proposed	1,150.0 ⁵	--	--	--	373.6	2,700.0
FY 1988 actual	1,206.3	--	--	--	580.1	2,750.0
FY 1989 proposed	1,206.3	--	--	--	641.2	2,700.0
FY 1989 actual	1,234.9	--	--	\$ 17.2	668.5	2,700.0
FY 1990 proposed	1,485.0	--	--	163.0 ⁶	757.0 ⁷	2,700.0
FY 1990 actual	1,405.0	--	--	n/a	n/a	2,800.0
After Gramm-Rudman	1,386.3	--	--	206.0 ⁶	803.9	2,762.2
FY 1991 proposed	1,886.3	\$750.0	--	489.0 ⁶	499.4	2,800.0
FY 1991 actual	1,952.0	731.9	\$300.0 ⁸	317.0	1,010.3 ⁹	2,800.0
FY 1992 proposed	2,052.0	732.0	300.0	433.0 ¹⁰	1,194.5	2,800.0

Note: n/a = actual appropriation data not available.

¹Head Start lost an estimated 6,000 employees when CETA Public Service Employment was eliminated for FY 1982.

²Child care funds under the Family Support Act of 1988 are authorized as an entitlement to AFDC parents participating in approved education and training or needing child care to accept or retain employment.

³A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent.

⁴Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983,

by 30 percent in FY 1984, and by 4 percent in FY 1985. For FY 1984 and FY 1985, the Head Start portion of CCFP would have been transferred to the Head Start budget.

⁵Although a \$20 million increase was discussed, Head Start was included in a proposed generic appropriation to 27 programs whose total budget would have been \$69 million below FY 1987 costs for the programs.

⁶U.S. Department of Health and Human Services estimate.

⁷This is the figure reported in the Department of Agriculture appropriations bill for FY 1990.

⁸Amount available; U.S. Department of Health and Human Services estimates that only \$150 million will be requested by the states.

⁹U.S. Department of Agriculture estimate.

¹⁰Funding is open-ended; figure represents anticipated state requests.

Maternal and Child Health

Nearly 11 million children in the United States have no health insurance at all. Infant immunization rates that rank the United States seventeenth world-wide have led to the worst epidemic of measles since 1978. Progress in reducing infant mortality has ground to a halt because too few pregnant women receive prenatal care early and too many babies are born too small or too soon. Thirty million Americans, two-thirds of whom are children or women of childbearing age, live in medically underserved areas.

Unnecessary disease, disability, and death among children take a higher and higher toll in both human and fiscal terms. Yet the president's health budget, which purports to "give special emphasis to programs affecting children," instead either limits or gives only the most modest increase to child health programs. The president is ignoring the recent essential recommendations of his own White House Task Force on Infant Mortality and National Vaccine Advisory Committee. Even more disturbing is the Administration's proposal to fund a new infant mortality reduction initiative by diverting millions of dollars from critical maternal and child health programs already operating at levels far below what is needed. This proposal to "rob Peter to pay Paul" would cut further essential programs, which already lost ground to medical care inflation throughout the 1980s.

Infant Mortality

The Administration proposes a special \$171 million Targeted Infant Mortality Initiative that would improve health and social services in 10 urban communities with very high infant mortality

rates. However, to fund this program (\$57 million in 1991 and \$139 million in FY 1992) the president actually proposes to cut funds in 1991 for Community and Migrant Health Centers by more than \$23 million and for the Title V Maternal and Child Health (MCH) Block Grant by \$34 million. Both programs would then be frozen at their reduced funding levels for FY 1992, bringing the total two-year dollar cuts to nearly \$120 million (and an additional loss to inflation). The \$50 million that health centers would lose between 1991 and 1992 would fund services for 250,000 patients, three-quarters of whom are women of childbearing age and children.

A reduction in the Title V MCH Block Grant would mean elimination of special initiatives to provide prenatal care in rural areas, specialized services to children with chronic illnesses or disabilities, and staff positions for nurses to give immunizations. Pregnant women, infants, and children in hundreds of the poorest and most medically underserved communities in the nation thus are being asked to pay the cost of an infant mortality initiative for other poor mothers and babies.

Moreover, this proposed initiative addresses only three of a dozen critical activities proposed in a 1989 report by the White House Task Force on Infant Mortality -- a report suppressed by White House higher-ups until it was leaked in August 1990. Not only has the Administration never officially released the task force report, but it now is attempting to disguise trade-offs that include actual reductions in the very programs identified in the report as among the most effective in reducing infant mortality as an "initiative." The report stated that with adequate investments

we could save the lives of 10,000 babies each year -- saving \$380,000 in lost productivity per infant -- and 100,000 disabilities by using available technology. The president continues to ignore his own White House report.

Additional funds should be made available to implement all of the recommendations of the White House Task Force Report on Infant Mortality. Neither funding for current infant mortality reduction efforts nor basic maternal and child health programs should be cut.

Childhood Immunizations

The president proposes to increase funding for the Centers for Disease Control childhood immunization program by \$40 million, from \$218 million in FY 1991 to \$258 million in FY 1992. This is less than the increase recommended last month by the Administration's own National Vaccine Advisory Committee.

Further, the president proposes to eliminate support for the vaccine stockpile, which serves as the emergency reserve for our national vaccine system, and to reduce from \$10 million to \$2 million funds for the National Vaccine Program. The National Vaccine Program is charged with coordination and oversight of a national strategy for immunization, the development of safer and more effective vaccines, and improvements in the delivery of immunization services.

The Administration budget documents elsewhere suggest that in FY 1992 a government-wide total of \$1.129 billion will be spent on immunization. These claims are wildly exaggerated. For example, the Office of Management and Budget claims that the Title V MCH Block Grant spends \$554 million on immunization services, yet that amount represents the entire MCH Block Grant program. The program

is required by law to finance dozens of maternal and child health activities, including prenatal care, services for children with special needs, and primary pediatric health services.

The budget's proposals for the core immunization programs are unacceptable in the midst of a measles epidemic. In 1990 more than 25,000 cases of measles were reported in the United States; two-thirds (17,000) of these cases could have been prevented if preschoolers had received vaccines on time. This was more than 16 times the smallest annual number of cases (1,497), reported in 1983. In addition, mumps and pertussis (whooping cough) cases continue to rise. Inadequate immunization levels are the primary cause of outbreaks of preventable disease. Currently, only about half of poor, urban two-year-olds are adequately immunized.

An additional \$50 million is needed urgently to stop the measles epidemic, protect all infants and toddlers from preventable disease by providing vaccines on schedule, and ensure that new and improved vaccines are made available to all children.

Medicaid

Although more than 2 million poor and uninsured children have no Medicaid coverage, the president's budget does not offer the states even the option of making coverage immediately available to all children with family incomes below the poverty level. Children ages eight to 19 with family incomes above AFDC financial eligibility levels but below the federal poverty level now can be covered by states only on a slow, phased-in basis over the next decade (to be eligible, children must be born after September 30, 1983). For older children the average financial eligibility level

in the states requires family income to be less than 40 percent of the federal poverty level. Moreover, in 18 states even the poorest children older than seven cannot qualify for Medicaid this year if they live in a two-parent working family.

In 1991 Congress should enact legislation extending Medicaid coverage to all poor and near-poor children younger than 19 with family incomes below 185 percent of the federal poverty level.

**Funding for Community and Migrant Health Centers,
Title V MCH Block Grant, and Family Planning**

Despite the fact that the Title V, Family Planning, and Community and Migrant Health Centers programs are operating at levels hundreds of millions of dollars below their FY 1981 funding levels (adjusted for inflation), the president proposes new freezes and cuts:

- He would divert FY 1991 funds and freeze FY 1992 funding for Community and Migrant Health Centers at FY 1991 levels and shift some of the frozen funds into the new infant mortality initiative. This proposal ignores the role of health centers in infant mortality reduction. Last year Comprehensive Maternity and Infant Health Projects in health centers served more than 100,000 low-income pregnant women. These projects, primarily located in urban and rural communities, have expanded access to prenatal and infant care, as well as outreach and case management for pregnant women who are substance abusers, young teens, at risk for HIV infection or AIDS, or migrant workers. As the only source of maternal and infant health services in hundreds of communities across the nation, health centers are an essential component of the nation's efforts to reduce infant mortality.
- The president would cut \$34 million from the Maternal and Child Health Block Grant. This comes at a time when funds are needed to maintain and expand even the most basic maternal and child health services. The FY 1990 appropriations level was equal to only 60 percent of the FY 1981 funding level adjusted for inflation in the cost of medical services.
- The Administration proposes to increase funds for the National Health Service Corps program by only \$5 million, even though \$60 million is needed to cover the cost of 1,000 new doctors and nurses. Last year Congress reauthorized and revitalized the Corps program in response to the critical shortage of pri-

mary care, maternity care, and rural health providers. However, adequate program funding levels are essential to meeting the need.

- The president's budget would increase funds in the Title X Family Planning program by only \$6 million, less than inflation, even though the proposed FY 1992 funding level is less than half of that of FY 1981 adjusted for inflation. Then-Representative George Bush was a co-sponsor of the original 1970 legislation to enact Title X, but as president he has not demonstrated continued support for the family planning program. About half of all pregnancies among American women are unintended, and family planning services can help reduce infant mortality.

For FY 1992 CDF recommends: increasing health centers' funding by \$70 million, fully funding the Title V MCH Block Grant (\$686 million total), increasing National Health Service Corps funding by \$60 million, and beginning to restore the family planning program with funding at \$200 million.

The Special Supplemental Food Program for Women, Infants, and Children (WIC)

The Administration's request of \$2.573 billion for WIC in FY 1992 represents a \$223 million increase over FY 1991. This figure is only \$129 million over current services (assuming 4 percent inflation). Thus only \$129 million would be available to expand program participation.

While the president's budget emphasizes cost containment measures (reduced spending per recipient on infant formula, typically based on a competitive bidding process) as a way to expand program participation, much of the possible cost containment already has occurred, so the budget exaggerates the added value in FY 1992 of such efforts. Even with the substantial cost containment of the past few years, current funding levels for WIC are so inadequate that nationally only 54 percent of all eligible women and children will receive WIC services in FY 1991. For FY 1992 the Administra-

tion proposes to increase funding by an amount sufficient to raise participation to only 56 percent.

This is true even though a section of the president's budget on program evaluations looks to WIC as an example of a program with excellent effectiveness, and recognizes that a 1990 evaluation found that for every dollar spent on WIC "between \$1.77 and \$3.11 could be saved in Medicaid costs over the first 60 days of an infant's life....The results clearly showed that WIC participation leads to healthier children and thus Medicaid savings."

WIC's essential and cost-effective nutrition services should be expanded over the next five years to all those eligible -- an investment of an additional \$1 billion. Otherwise, millions of low-income and nutritionally at-risk mothers, infants, and children will continue to go without needed nutrition services.

**How Funding for Key Public Health Programs
Has Lagged Far Behind Inflation
(\$ in millions)**

	Title V MCH Block Grant	Community Health Centers	Migrant Health Centers	Title X Family Planning
FY 1981 Appropriation	\$457	\$323	\$43	\$161
Actual FY 1991 Appropriation	\$587	\$478	\$52	\$144
FY 1991 Appro- priation, if FY 1981 Level Was Adjusted for Inflation to FY 1991	\$892	\$631	\$84	\$316

Inflation based on Consumer Price Index for Urban Consumers (CPI-U) for medical care costs.

Health: Funding and Budget Requests, FY 1981 - FY 1992
(in millions of dollars)

	MCE Block Grant	Community Health Centers	Migrant Health Centers	Family Planning	Immunization ¹	WIC	NRSC Scholarships and Loan Repayment ²
FY 1981 actual	\$456.7	\$323.0	\$43.2	\$161.7	\$31.0	\$ 900.0	\$63.4
FY 1982 proposed	347.5	-- ³	-- ³	-- ³	-- ³	637.5	0.0
FY 1982 actual	373.8	281.2	38.2	124.2	34.6	904.3	42.8
FY 1983 proposed	347.5	-- ³	-- ³	-- ³	28.9	637.5 ³	0.0
FY 1983 actual	373.0	295.0	38.1	124.0	39.0	1,160.0	15.8
FY 1984 proposed	373.0	-- ³	-- ³	-- ³	41.9	1,160.0	0.0
FY 1984 actual	398.0	337.0	42.0	140.0	41.9	1,360.0	6.3
FY 1985 proposed	407.0	-- ³	-- ³	-- ³	46.0	1,254.3	0.0
FY 1985 actual	478.0	375.0	45.3	142.0	54.0	1,500.0	2.3
FY 1986 proposed	478.0	-- ³	-- ³	-- ³	54.0	1,479.8	0.0
FY 1986 actual	478.0	400.0	45.4	143.0	57.0	1,580.5	2.3
After Gramm-Rudman	457.0	396.0	40.9	136.8	56.9	1,580.5	2.2
FY 1987 proposed	478.0	-- ³	-- ³	-- ³	56.0	1,617.0	0.0
FY 1987 actual	478.0	400.0	45.4	142.5	87.3	1,663.5	2.3
FY 1988 proposed	478.0	400.0	45.4	-- ³	94.0	1,687.5	0.0
FY 1988 actual	526.6	382.9	43.5	140.0	98.0	1,802.4	4.1
FY 1989 proposed	561.0	400.0 ⁵	44.4	140.0	102.0	1,871.9 ⁶	2.2
FY 1989 actual	554.3	414.8	45.6	138.3	142.0	1,929.4	7.9
FY 1990 proposed	554.3	414.8	45.6	138.3	138.0	1,961.4	8.0
FY 1990 actual	561.0	463.0	50.0	141.0	158.3	2,126.4	9.0
After Gramm-Rudman	553.6	458.9 ⁷	47.3	139.1	156.2 ⁸	2,126.4	8.9
FY 1991 proposed	553.6 ⁹	474.0 ¹⁰	48.4	139.1	152.7	2,215.2	63.9
FY 1991 actual	587.3 ¹¹	478.2 ¹²	51.7	144.3	217.2	2,350.1	48.8
FY 1992 proposed	553.6 ¹³	478.2 ¹³	51.7	150.0	257.8	2,573.4	53.8

	FY 1992 Current Policy	FY 1992 Proposed	Change from Current Policy	Percent Change
Medicaid	\$59,899.1	\$59,832.6	-\$66.5	-0.1%

¹Includes not just grants but also surveillance and stockpile funds.

²Not included are field placement funds, which are used for the later execution of legal obligations to pay NRSC staff salaries as they fulfill commitments secured by scholarships or loans.

³Proposed to repeal, include in block grant; funding would have been cut by 25 percent in FY 1982, increased by less than 1 percent in FY 1983, and remained level for FY 1984; the block grant proposed for FY 1985 would have shown a slight increase of 2.2 percent; the block grant proposed for FY 1986 would have been funded at FY 1985 levels; the block grant proposed for FY 1987 would have been funded \$26.2 million below these programs' FY 1986 pre-Gramm-Rudman level and \$8 million below the FY 1985 level; the block grant proposed for FY 1988 would have included the Family Planning Program and previously separate administrative costs; the combined amount (\$146.0 million) would have been cut by \$2.0 million.

⁴Proposed to repeal, include in Maternal and Child Health Block Grant; funding would have been cut by 30 percent.

⁵For base program; does not include \$32 million proposed for an infant mortality initiative.

⁶Technically, the Administration's budget proposal consisted of a single request of \$1,923.8 million for WIC and the Commodity Supplemental Food Program. The amount shown in the chart for WIC -- \$1,871.9 million -- represents WIC's share of the \$1,923.8 million request.

⁷FY 1990 actual includes \$31.6 million (post Gramm-Rudman) for infant mortality projects to be distributed through community and migrant health centers.

⁸FY 1990 actual does not include \$31.5 million emergency supplemental appropriation made in April 1990; this brings the actual FY 1990 total to \$186.7 million.

⁹FY 1991 proposed does not include \$25 million proposed for a coordinated services (one-stop shopping) initiative.

¹⁰FY 1991 proposed includes \$35.7 million for infant mortality project grants to be distributed through community and migrant health centers.

¹¹FY 1991 actual does not reflect proposal to divert \$34 million from the Title V MCH Block Grant and to "reprogram" it for a "Targeted Infant Mortality Initiative" in ten cities.

¹²Actual FY 1991 levels included funds to provide infant mortality reduction project grants to more than 200 health centers. The President's FY 1992 budget proposal would reprogram \$24 million of FY 1991 appropriation to fund a "Targeted Infant Mortality Initiative" in health centers in ten cities.

¹³FY 1992 proposal would freeze funds for Community and Migrant Health Centers and Title V MCH Block Grant at levels reached after Administration's proposed diversion of more than \$50 million for a new "Targeted Infant Mortality Initiative."



Housing and Homelessness

Every night 100,000 children go to sleep homeless -- the most visible victims of the low-income housing crisis. Rising housing costs and falling family incomes have converged to make it virtually impossible for poor families to afford decent and stable housing.

Yet the president's FY 1992 budget proposes, once again, to cut funds from critical housing programs. These cuts may well increase the number of homeless children, but the president would reduce services to them as well.

Public Housing

The president proposes that more than \$900 million be taken from existing programs and placed in block grants to help state and local governments increase the supply of affordable housing, as well as in programs that help public housing residents buy their units. These initiatives were approved by Congress in 1990, but they were not intended to be funded at the expense of existing programs.

The president also proposes rescinding \$500 million of FY 1991 funding -- almost half of the total \$1.2 billion -- for the public and Indian housing construction program and terminating the program altogether in FY 1992. The Administration also proposes cutting more than \$250 million from the \$2.4 billion modernization program for repairs and rehabilitation of public and Indian housing units. These cuts simply would worsen the crisis in public housing today: More than 2 million parents and children are on public housing waiting lists around the country, and the Administra-

tion estimates that more than 100,000 units are vacant -- many because they need repairs.

Rural Housing

In 1987, the last year for which data are available, nearly 1 million rural households didn't have enough money to buy food after they paid for housing. Two million rural households pay at least half of their income for housing. Yet the Administration proposes FY 1992 cuts in important programs that help rural residents find affordable housing. Funding for rural rental housing would be cut by more than \$200 million. Rental assistance, farm labor housing, preservation grants, and home repair grants also would be cut significantly under the president's plan.

Homeless Programs

Strong support for the McKinney Act, a collection of emergency services programs, has been President Bush's solution to the homelessness crisis since he talked about it during the 1988 campaign. Yet now, as president, he proposes not only cutting funds for housing programs that hold the true long-term solution to homelessness, but would weaken the McKinney Act as well.

Homeless families need access to high quality services to help them return to permanent housing, and to reduce the damage homelessness can do to parents and children. In 1989, for example, the U.S. Department of Education reported that one in three homeless children was not in school. In response, Congress significantly enhanced the Education for Homeless Children and Youth Program (first enacted in 1987) by increasing its authorization levels, expanding the scope of allowable activities, and strengthening the requirements that states

remove barriers keeping homeless children out of school.

The Administration now proposes to combine this program with a number of others that serve homeless people (including job training, adult literacy, and substance abuse and mental health services), cut the combined funding by almost half to \$57 million, and move the program from the Department of Education to the U.S. Department of Housing and Urban Development (HUD). Although the details of this proposal are unclear in the president's budget documents, the dilution of legislative purpose and the funding cuts threaten the gains promised by the newly expanded education program and endanger the educational status of homeless children in many states..

The Administration also would cut funding for several other programs that help homeless families, including the Emergency Food and Shelter Program, which would be reduced by about 25 percent, to \$100 million.

Fair Housing Enforcement

In 1989 the Fair Housing Amendments Act extended protections against housing discrimination to families with children and people with disabilities. HUD is responsible for responding to all complaints of discrimination based on those grounds, as well as some types of complaints on the basis of race, national origin, color, gender, and other grounds included in previous law. Since the law became effective, HUD has received more than 12,000 complaints of discrimination from families with children. Quickly and appropriately processing housing discrimination complaints is necessary to protect civil rights and help families obtain housing unhindered by discrimination. Yet the president's budget proposes reducing funding for already inadequate fair housing activities by

almost one-third, to \$13 million.

The federal government must commit to eliminating homelessness and its devastating impact on families and children by ensuring an adequate supply of affordable housing and critical services to prevent homelessness and help families that do become homeless.

- o Housing assistance should be available for all low-income families. The federal government should start by committing to construction of an additional 250,000 units of low-income housing every year. Additional funds also should be provided to rehabilitate existing units and prevent their loss to conversion, gentrification, and abandonment.
- o High quality services should be available to reduce the damage done to children and families by homelessness and other housing problems. Congress should fund programs under the McKinney Act fully, including health and education efforts and new initiatives to avoid the unnecessary placement of children in foster care because of housing problems and homelessness.

Housing and Homelessness: Net New Budget Authority, FY 1981 - FY 1992
(in millions of dollars)

	Low Income Housing ¹	McKinney ² Act	TEFAP ³	Emergency Food and Shelter Program ⁷	Education for Homeless Children and Youth ⁷	Health Care for the Homeless ⁷
FY 1981 actual	\$24,702	--	--	--	--	--
FY 1982 proposed	29,502	--	--	--	--	--
FY 1982 actual	12,245	--	--	--	--	--
FY 1983 proposed	- 5,221 ⁴	--	\$ 0.0	--	--	--
FY 1983 actual	8,365	--	50.0	\$100.0	--	--
FY 1984 proposed	- 2,319 ⁴	--	0.0	0.0	--	--
FY 1984 actual	10,082	--	50.0	110.0	--	--
FY 1985 proposed	4,267	--	50.0	0.0	--	--
FY 1985 actual	10,759	--	57.0	20.0	--	--
FY 1986 proposed	499	--	0.0	0.0	--	--
FY 1986 actual	-- ⁸	--	50.0	70.0	--	--
After Gramm-Rudman	9,537	--	50.0	70.0	--	--
FY 1987 proposed	0	--	0.0	0.0	--	--
FY 1987 actual	7,216	\$355.0	50.0	125.0	--	--
FY 1988 proposed	3,920		0.0	80.0	--	--
FY 1988 actual	7,155	358.0	50.0	114.0	\$4.6	60.4
FY 1989 proposed	6,534	278.0	0.0	80.0	0.0	15.0
FY 1989 actual	7,180	362.0	50.0	114.0	4.8	14.8
FY 1990 proposed	6,323 ⁶	746.0	0.0 ⁶	114.0	5.0	14.8
FY 1990 actual	n/a	n/a	50.0	132.0	7.5	46.0
After Gramm-Rudman	7,299	596.6	49.8	130.0	7.4	45.3
FY 1991 proposed	13,144 ⁸	749.0	50.0	125.0	7.5	45.6
FY 1991 actual	9,448	681.8	50.0	134.0	7.3	50.9
FY 1992 proposed	9,066	776.1	27.0	100.0	-- ⁹	63.0

Note: n/a = actual appropriation data not available.

¹Includes Section 8, public housing, rent supplements, and Section 235/236 subsidies. Does not include low-income rural housing programs. In FY 1985 and subsequently, includes Indian housing. In FY 1986 and subsequently, includes rental development and rental rehabilitation grants. In FY 1989 and subsequently, includes Mehemiah grants (to assist low- and moderate-income homeownership).

²Total includes funding for all programs funded under the Stewart B. McKinney Program, including health care, education, food, and shelter services for homeless families and individuals.

³Temporary Emergency Food Assistance Program.

⁴Negative net new budget authority occurs when the president proposes deep rescissions in funds previously appropriated but not yet spent.

⁵Data not available.

⁶Reagan budget proposal.

⁷Also included in McKinney Act totals starting in FY 1987.

⁸\$7.7 billion of increase attributable to renewal for five years of low-income rental subsidies otherwise expiring in FY 1991; these funds are considered by Congress as part of current services baseline, not new spending, since they do not provide help to additional households.

⁹The Administration proposes combining this program with several others, reducing total funding by about 50 percent, and moving jurisdiction to HUD from the Department of Education.

Vulnerable Children and Families

The president's FY 1992 budget ignores the critical needs of millions of vulnerable children in this country. It gives no new help to them, their families, or the child welfare, mental health, and juvenile justice systems charged with caring for them when their families cannot.

Reports of abuse and neglect of children continue to rise. They reached 2.4 million in 1989. An average of three children a day have died from maltreatment over the past four years. Foster care caseloads increased 29 percent between 1986 and 1989. Youth detention levels have risen throughout the 1980s. And an estimated two-thirds of the children with serious emotional disturbances do not receive the help they need.

City after city reports that more families are in crisis in part because of growing poverty among families with children, increasing numbers of homeless families, and increasing problems with substance abuse. Yet the president's budget invests virtually no new dollars in these young people and their families, whose unmet needs will grow and require more costly interventions in the future.

Child Welfare Services

Although the Administration's budget rhetorically acknowledges the enormous strain that increases in abuse and neglect and growing foster care caseloads have placed on state child welfare systems, the FY 1992 budget proposes no funds for new activities to strengthen and preserve families or to prevent or treat child abuse and neglect.

- The federal preference for investments in out-of-home care rather than in alternative services to prevent initial or prolonged placements of children in care would continue to grow in FY 1992 under the president's proposals. Expenditures under the federal foster care program are expected to reach \$2.2 billion in FY 1992. That program, authorized under Title IV-E of the Social Security Act, is an entitlement program for which the budget must increase as the caseload of eligible children increases. Meanwhile, however, the programs that support child abuse prevention and treatment programs and other efforts to strengthen families and to prevent the unnecessary placement of children in foster care are not entitlements, and funding for them has fallen far behind inflation in real dollars. In the FY 1992 budget they are held at their FY 1991 funding levels and therefore again lose ground to inflation. For example, the Title XX Social Services Block Grant, about 12 percent of which is used for a range of child protection activities, declined by 36 percent in real dollars between FY 1981 and FY 1990 and again receives not even an inflation boost in FY 1992.

- The Administration purports to recommend a 33 percent increase in the Title IV-B Child Welfare Services Program, raising it \$90 million to \$364 million. But in fact that increase would be more than subsumed by the Administration's proposal to eliminate \$246.6 million in funds currently available for preplacement prevention activities under the federal foster care program -- a loss nearly three times as great as the \$90 million increase in the Child Welfare Services Program. The Administration also freezes existing child abuse prevention and treatment programs at their FY 1991 levels, without even an inflation increase.

- The Administration also fails to recommend any funding for the Family Resource and Support Grant Program Congress enacted in 1990. The program would assist states in establishing statewide networks of family resource and support programs to assist families before crises arise.

- The president proposes to reinstate the one-time tax deduction for parents who adopt special needs children and to increase it from \$2,500 to \$3,000 a year. This will help pay for some of the nonrecurring costs associated with adoption for those families, with tax liability, who are providing permanent families for children with disabilities and other special needs. A separate proposed increase in the federal Adoption Assistance Program of \$12.1 million will provide ongoing adoption assistance for children with special needs. Unfortunately, funds were not increased for several small programs designed to expand outreach efforts to find adoptive families for children and to offer post-adoption services as necessary. These activities particularly are essential given the increased numbers of children, many of whom are suffering from the effects of drug exposure at birth, who are entering out-of-home care and may not have families to which they can return.

Juvenile Justice

- The attorney general reasserted the Administration's commitment "to secure the right of every American to be free from crime" in announcing the Justice Department's FY 1992 budget request. Yet in proposing the elimination of the Juvenile Justice and Delinquency Prevention Act, the Administration proposes to ignore the needs of troubled youths in this country who, without appropriate interventions when they are young, too frequently end up in the adult criminal justice system. Alleging that this program, never funded at more than \$70 million annually (and at that level only over the Reagan and Bush Administrations' objections), has been "amply funded," the Administration chooses to write off the futures of the almost 750,000 young people likely to be admitted to public and private juvenile detention facilities next year, if current trends continue. The Juvenile Justice Act funds often are used to help states craft appropriate responses to the large numbers of youths being detained for drug-related offenses, many of whom are otherwise likely to graduate to the adult criminal justice system. The \$7.5 million high-risk youth initiative that the U.S. Department of Justice would leave in its place would invest less than \$10.50 per child in the youths who entered juvenile detention in 1986.
- No new investments are proposed for the Runaway and Homeless Youth Program or the Transitional Living Program that offer youths who cannot return home an opportunity to obtain the skills they need to make it on their own. The freeze in these programs denies help to young people on the street, many with chronic problems, who are at especially high risk of criminal involvement as either victims or perpetrators. The total funding proposed for these two programs is left at \$45 million. Although there is an increase in the program that provides independent living assistance to youths in the federal foster care program, it is an increase that the Administration is required by federal law to make.

Children's Mental Health

- The president's FY 1992 budget proposes to freeze the Alcohol, Drug Abuse and Mental Health Block Grant at its FY 1991 funding level of \$1.3 billion. Approximately half of the funds go for mental health services, but only a small portion is spent to address the needs of children with serious emotional problems. The level funding is of great concern given the current lack of community-based services for children with emotional problems -- a shortage likely to grow rapidly as resources shift to adults to meet increased demand on mental health agencies from the emotional stresses caused by the Persian Gulf war and the recession.
- The FY 1992 budget proposes an increase of \$147 million for implementation of the National Plan for Research on Child and Adolescent Mental Health that provides for expanded re-

search in many areas of child mental health. Other steps proposed in the budget, however, undercut efforts currently under way to strengthen the system of care in place for children with serious emotional disorders. The Administration proposes to terminate the \$16 million Protection and Advocacy Program for Mentally Ill Persons, which encourages states to implement important protections for children with serious emotional problems and their families. The budget also proposes virtually no increase for the Community Support Program, of which the Child and Adolescent Service System Program (CASSP) has been a part. CASSP has served as an important catalyst in more than 40 states to promote interagency coordination and collaboration on behalf of children with serious emotional disturbances and their families. Such initiatives are critically important to ensure that service-related research findings are implemented to benefit increased numbers of children and families.

With few new dollars proposed to help states cope with even the emergencies they face daily, the nation's most vulnerable children and their families, and the child-serving systems designed to help them, will continue to be in a state of crisis. As a nation, we can no longer afford to let these needs go unmet. Major reforms across these child-serving systems are needed. Our goal must be to put in place across the country a range of services and supports to strengthen families and to give them the tools they need to support and nurture their children appropriately.

As a beginning, expanded federal fiscal incentives should be provided to states to build comprehensive and coordinated service systems for vulnerable children and their families. Funds should be provided for a range of family support services, including intensive family preservation services. Providing such funds for prevention on the same entitlement basis as federal funds are provided for out-of-home care should alter the sometimes perverse incentives built into the system now and ensure that funds are used most effectively. As a complement to this initiative, the Family Resource and Support Grant Program should be funded with at least

\$30 million so that states can begin to establish statewide networks of family resource and support programs designed to assist families with young children and others needing special help before crises arise.

Initiatives also are needed to offer states additional funds under Medicaid and other health and child welfare programs to meet appropriately the multiple treatment and service needs of families with substance abuse problems who are overwhelming the current resources of the child welfare system.

Finally, following up on the advances in children's mental health made under CASSP, steps must be taken to assist states in filling in the gaps in their local systems of care for children with serious emotional disturbances. Federal dollars targeted to a select number of states so that they can develop home- and community-based service programs that will be coordinated with initiatives already funded under other programs will help develop models for broader implementation.

These important first steps will lay the groundwork for major system coordination efforts in the future. When talking about abused and neglected children, other troubled youths, and youths with serious emotional problems, the issue is not whether to invest in their behalf, but when and how. Without help, their needs will not go away but will grow in size and cost.

Vulnerable Children and Families: Funding and Budget Requests, FY 1981-FY 1992
(in millions of dollars)

	Social Services Block Grant/ Title XX	Child Welfare Services	Child Welfare Training	Child Welfare Research	Foster Care	Independent Living	Adoption Assistance	Adoption Opportunities	Child Abuse State Grants
FY 1981 actual	\$2,991.8	\$163.0	\$5.2	\$11.0	\$ 327.8	NP	\$ 5.0	\$ 5.0	\$ 6.9
FY 1982 proposed ¹	-- ²	--	--	--	--	NP	--	--	--
FY 1982 actual	2,460.0	156.3	3.8	11.0	321.6	NP	5.0	1.9	6.7
FY 1983 proposed ¹	1,974.1	--	--	--	--	NP	--	--	4.6
FY 1983 actual	2,456.0	156.3	3.8	10.3	395.0	NP	5.0	1.9	6.7
FY 1984 proposed ¹	2,560.0	156.0	--	--	440.0	NP	5.0	--	6.7
FY 1984 actual	2,700.0	165.0	2.6	9.5	478.5	NP	5.0	1.9	6.7
FY 1985 proposed ¹	2,700.0	168.8	--	--	460.0	NP	12.8	--	7.0
FY 1985 actual	2,725.0	200.0	3.8	11.8	517.2	NP	35.4	2.0	9.0
FY 1986 proposed ¹	2,700.0	200.0	3.8	8.4	485.0	NP	41.9	1.4	12.0
FY 1986 actual	2,700.0	207.0	3.8	11.8	507.6	NP	41.9	5.0	12.0
After Gramm-Rudman	2,583.9	198.1	3.7	11.2	-- ³	NP	-- ³	4.8	11.4
FY 1987 proposed ¹	2,700.0	200.0	3.8	6.0	544.3	NP	59.9	1.4	--
FY 1987 actual	2,700.0	222.5	3.8	11.3	592.0	\$45.0	59.9	5.0	12.0
FY 1988 proposed ¹	2,700.0	--	--	--	585.0	0.0	97.0	--	--
FY 1988 actual	2,750.0 ⁶	239.4	3.7	10.9	703.2	45.0	108.0	4.8	11.5
FY 1989 proposed ¹	2,700.0	239.4	3.7	16.0	832.0	0.0	133.9	4.8	11.5
FY 1989 actual	2,700.0	246.7	3.7	11.0	1,007.3 ⁷	45.0	133.9	6.0	11.6
FY 1990 proposed	2,700.0	256.0 ⁹	3.7 ¹⁰	11.0 ¹⁰	1,161.2 ⁹	0.0	125.3 ⁹	6.0 ¹⁰	11.6 ¹¹
FY 1990 actual	2,800.0	256.0	3.7	11.1	1,204.8	50.0	125.3	6.8	11.6
After Gramm-Rudman	2,762.2	252.6	3.6	11.0	1,200.1	50.0	124.9	6.7	11.5
FY 1991 proposed	2,800.0	300.0 ¹⁴	3.6	13.5	1,716.8 ¹⁵	60.0	150.5	6.7	11.5
FY 1991 actual	2,800.0	273.9 ¹⁷	3.6	7.8	1,813.2 ¹⁸	60.0	189.8	12.7	19.5
FY 1992 proposed	2,800.0	364.0 ¹⁹	3.6	7.8	1,977.0 ²⁰	70.0	201.9	12.7	19.5

Note: NP = program did not exist at this time.

n/a = actual appropriation or budget data not available.

¹For details on the specific nature of the Administration's budget proposals for FY 1981 - FY 1989, see Children's Defense Fund, The Nation's Investment in Children. An Analysis of the President's FY 1991 Budget Proposals (1990), pp. 52-55.

²Unless otherwise noted, the dashes throughout this table mean that the Administration's budget proposed to consolidate the program with others, often at a reduced funding level.

³These programs received special treatment under Gramm-Rudman. Instead of an across-the-board cut, expenditures attributable to a foster care or adoption assistance rate increase that took effect between October 1, 1985 and September 30, 1986 were not eligible for federal reimbursement.

	Child Abuse Discretionary Grants	Child Abuse Challenge Grants	Temporary Child Care and Crisis Nurseries Grants	Family Violence Prevention and Services	Abandoned Infants Assistance	Runaway Youth	Runaway Youth/ Transitional Living
FY 1981 actual	\$16.1	NP	NP	NP	NP	\$11.0	NP
FY 1982 proposed	--	NP	NP	NP	NP	--	NP
FY 1982 actual	9.5	NP	NP	NP	NP	10.5	NP
FY 1983 proposed	--	NP	NP	NP	NP	6.6	NP
FY 1983 actual	9.5	NP	NP	NP	NP	21.5	NP
FY 1984 proposed	--	NP	NP	NP	NP	10.5	NP
FY 1984 actual	9.5	NP	NP	NP	NP	23.2	NP
FY 1985 proposed	--	NP	NP	NP	NP	10.5	NP
FY 1985 actual	17.0	\$0.0	NP	\$0.0	NP	23.2	NP
FY 1986 proposed	10.0	0.0	NP	0.0	NP	23.2	NP
FY 1986 actual	14.0	5.0	NP	8.5	NP	23.2	NP
After Gramm-Rudman	13.3	5.0 ⁴	NP	8.4 ⁵	NP	22.2	NP
FY 1987 proposed	--	0.0	NP	--	NP	23.2	NP
FY 1987 actual	13.9	5.0	\$0.0	8.5	NP	23.2	NP
FY 1988 proposed	--	--	0.0	--	NP	--	NP
FY 1988 actual	13.3	4.8	4.8	8.1	NP	26.1	NP
FY 1989 proposed	13.3	4.8	0.0	8.1	NP	26.1	NP
FY 1989 actual	13.6	4.8	4.9	8.2	\$ 0.0	26.9	\$ 0.0
FY 1990 proposed	13.6	0.0	0.0	8.2 ¹¹	0.0	26.9 ¹¹	0.0
FY 1990 actual	13.6	5.0	8.4 ¹³	8.4	10.0 ¹³	29.2 ¹³	10.0 ¹³
After Gramm-Rudman	13.5	4.9	8.3 ¹³	8.3	9.9 ¹³	28.8 ¹³	9.9 ¹³
FY 1991 proposed	13.5	4.9	8.3	8.3	9.9	28.8	9.9
FY 1991 actual	14.6	5.4	11.0	10.7	12.6	35.1	9.9
FY 1992 proposed	14.6	5.4	11.0	10.7	12.6	35.1	9.9

⁴Includes \$5 million approved as part of FY 1985 Supplemental Appropriations Bill that was not obligated in FY 1985 and was carried over to FY 1986.

⁵Includes \$6 million approved as part of FY 1985 Supplemental Appropriations Bill that was not obligated in FY 1985 and was carried over to FY 1986.

⁶An additional \$50 million was contained in the reconciliation bill but not the continuing resolution passed in 1987. In fact, the \$50 million was never made available to states.

⁷An additional \$539 million was also appropriated in FY 1989 for claims from prior years.

⁸Additional mental health and substance abuse services were consolidated into the block grant by the Omnibus Anti-Drug Abuse Act of 1988. Total estimated funding for these activities in FY 1989 was \$824 million.

⁹The FY 1990 request proposed to transfer the administrative and training portions of the foster care (\$543.5 million) and adoption assistance (\$27.6 million) programs to a new discretionary Comprehensive Child Welfare Services Program along with

	Runaway Youth/ Drug Abuse Prevention	Drug Abuse Prevention/ Gangs	Juvenile Delinquency Prevention	Child and Ado- lescent Service System Program	Alcohol, Drug Abuse, and Mental Health Block Grant
FY 1981 actual	NP	NP	\$100.0	NP	\$ 691.0
FY 1982 proposed	NP	NP	0.0	NP	--
FY 1982 actual	NP	NP	70.0	NP	428.0
FY 1983 proposed	NP	NP	0.0	NP	432.0
FY 1983 actual	NP	NP	73.0	NP	439.0
FY 1984 proposed	NP	NP	0.0	NP	439.0
FY 1984 actual	NP	NP	70.5	\$1.5	462.0
FY 1985 proposed	NP	NP	0.0	0.0	472.3
FY 1985 actual	NP	NP	70.2	3.9	490.0
FY 1986 proposed	NP	NP	0.0	0.0	490.0
FY 1986 actual	NP	NP	70.2	4.5	490.0
After Gramm-Rudman	NP	NP	67.3	4.0	468.9
FY 1987 proposed	NP	NP	0.0	0.0	490.0
FY 1987 actual	NP	NP	70.3	4.7	495.0
FY 1988 proposed	NP	NP	0.0	4.7	495.0
FY 1988 actual	NP	NP	68.6	7.4	487.3
FY 1989 proposed	NP	NP	0.0	10.0	509.0
FY 1989 actual	\$15.2	\$15.0	68.2	8.1	502.8 ⁸
FY 1990 proposed	15.0 ¹⁰	15.0 ¹⁰	0.0	5.8	805.6 ¹²
FY 1990 actual	15.0 ¹³	15.0 ¹³	81.8 ¹³	n/a	1,205.0 ¹³
After Gramm-Rudman	14.8 ¹³	14.8 ¹³	81.8 ¹³	n/a	1,193.0 ¹³
FY 1991 proposed	14.8	14.8	7.5	n/a	1,293.0 ¹⁶
FY 1991 actual	14.8	14.8	75.3	9.6	1,268.7
FY 1992 proposed	14.8	14.8	7.5 ²¹	-- ²²	1,269.0

funds from the \$256 million Child Welfare Services Program. Only \$617.7 million for foster care maintenance payments and \$97.6 million in adoption assistance payments were to be retained in the entitlement program for FY 1990.

¹⁰The FY 1990 request proposed \$129 million for Human Services Research, Training and Demonstration activities, which included these programs as well as the Comprehensive Child Development Centers Program and other aging and developmental disabilities activities.

¹¹The FY 1990 request combined funding for these three programs into one line item for Family Crisis Programs funded at \$46.8 million.

¹²Includes the additional funds for mental health and substance abuse services that were consolidated into the block grant by the Omnibus Anti-Drug Abuse Act of 1988.

¹³Includes increases approved as part of the Department of Transportation FY 1990 appropriation for the Emergency Drug Funding Bill.

- ¹⁴ The FY 1991 request proposed to transfer \$47.4 million to the Child Welfare Services Program from the authority for the federal programs authorized under Title IV-E of the Social Security Act.
- ¹⁵ The FY 1991 request also included an additional \$544 million for payment of foster care prior year claims.
- ¹⁶ The \$100 million increase proposed for FY 1991 is for the drug portion of the block grant. The other portions would be maintained at the FY 1990 level.
- ¹⁷ Includes \$27.4 million transferred to the Child Welfare Services Program from the authority for the federal programs authorized under Title IV-E of the Social Security Act.
- ¹⁸ An additional \$521 million was also appropriated in FY 1991 for claims from prior years.
- ¹⁹ The FY 1992 request proposes an additional \$90 million for the Title IV-B Child Welfare Services Program, contingent upon legislative approval of the proposed reductions in the Title IV-E Foster Care Program.
- ²⁰ The FY 1992 request reflects a proposal to eliminate preplacement prevention activities as an allowable administrative cost under the Title IV-E Foster Care Program, thereby reducing program funding for FY 1992 by \$246 million. In addition, the FY 1992 request includes an additional \$118 million for prior year claims.
- ²¹ The FY 1992 request proposes elimination of the Juvenile Justice and Delinquency Prevention Act but retains a small high risk youth program.
- ²² The FY 1992 request includes \$26 million for the Community Support Program, of which the Child and Adolescent Service Program (CASSP) is a part.

BUDGET PROCESS AT A GLANCE

The President Proposes a Budget for the U.S. Government

Each year, the president and his administration develop a proposed budget for the government that is supposed to be submitted to Congress no later than the first Monday in February. The president's budget proposes overall levels for federal taxes and other revenues, spending, and the amount of the deficit for the fiscal year that begins the following October 1. It also proposes specific tax and revenue measures and the specific funding level for every individual federal program and activity.

Congress Reviews and Revises the President's Budget

After the president's budget is submitted, Congress considers the general and specific budget proposals it contains. Alternative proposals made by senators and representatives are also considered. Congress then draws up its own version of the federal budget (called a Concurrent Budget Resolution) that sets the government's spending and revenue limits in general categories named "functions." The Concurrent Budget Resolution must be adopted by both houses of Congress but does not require the president's signature.

Legislation Is Enacted To Implement the Budget Decisions

After Congress adopts its Concurrent Budget Resolution, further legislation must be passed by Congress and signed by the president to turn budget decisions into federal law.

Appropriations legislation is enacted to divide available funds among specific programs and activities. Domestic discretionary funds (funds for education, training, social services, and the like) are divided among such programs as Head Start, Chapter 1, higher education, and child care.

Reconciliation legislation is enacted to make changes in specific tax laws in order to reconcile them with the overall amount of federal taxes called for by the Concurrent Budget Resolution. Changes in specific entitlement programs, such as Medicaid, also are made to reconcile them with the increased or decreased funding levels allowed under the Budget Resolution. Other important legislative changes not formally required by the Budget Resolution often are incorporated into reconciliation legislation as well. For example, the 1990 budget reconciliation bill included landmark comprehensive child care legislation.

1990 Budget Process Reforms Change Rules for Both Discretionary and Entitlement Spending

Due to changes in the budget process enacted in 1990, total discretionary spending is divided into three separate categories: domestic, defense, and international affairs. A spending ceiling is placed on the total amounts that can be spent for at least the next two years (FY 1992 and FY 1993) for each of three categories. During this time funds cannot be shifted from one category to another. Additionally, if spending in any category exceeds its ceiling, a sequester or across-the-board spending cut is applied to all the programs within that particular category at a level required to bring the category back within its ceiling.

New rules also govern federal entitlement programs. Any increase or expansion of one entitlement program must be offset, at some time during the fiscal year, by a reduction in another entitlement or by a revenue increase. However, if Congress passes and the president signs legislation increasing an entitlement and its cost is not offset before the end of the fiscal year, a sequester or across-the-board spending cut occurs among all entitlements except those, such as Social Security and AFDC, which are exempt under the Gramm-Rudman law.

KEY TERMS IN THE BUDGET PROCESS

Appropriation: A legislative process whereby spending levels are set for federal programs each year, within the limits sets by authorization legislation and budget resolutions. Federal programs and agencies are grouped into one of 13 annual appropriations bills -- all of which must be developed by the Appropriations Committees, passed by the Congress as a whole, and signed by the president before the beginning of each fiscal year (October 1).

Authorization: A process whereby the "authorizing committees" in each house of Congress establish, continue, or change the legislation governing federal programs under their jurisdiction. Authorization legislation sets spending ceilings for programs, usually for a period of several years, and determines the basic requirements guiding program operation. Congressional rules require that programs be properly authorized before funds may be appropriated for them.

Budget Resolution: Legislation, in the form of a concurrent resolution, that establishes general spending and revenue guidelines for the entire federal government each year. The president's proposed budget makes spending and revenue recommendations. Then Congress considers these recommendations and adopts a Concurrent Budget Resolution that finally sets the government's spending and revenue limits in general categories called functions. Examples of functions include Function 500: education, training, employment, and social services; and Function 550: health. The Concurrent Budget must be adopted by both houses of Congress but does not require the president's signature.

Categorical Sequester: A new automatic budget-cutting mechanism created by a law enacted in 1990. A categorical sequester, an across-the-board spending cut, is triggered when spending caps imposed by the 1990 budget law for either discretionary or entitlement programs are breached.

Continuing Resolution: Legislation that continues funding for federal programs for which Congress has not completed regular annual appropriations legislation by the beginning of the fiscal year. Continuing Resolutions are a stop-gap until appropriations legislation is passed. A Continuing Resolution must be passed by both houses of Congress and signed by the president.

Discretionary Programs: Federal programs, other than entitlements, for which each year's amount of spending is set at the "discretion" of the Appropriations Committees, within upper limits established by the authorizing legislation and the budget resolution. Many programs serving poor children and families, including Head Start, the Maternal and Child Health Services Block Grant, immunizations, child welfare services, the Job Corps, and the Chapter 1 program for education of the disadvantaged, are discretionary programs. When grouped together, they are often called "domestic discretionary programs."

Changes in the budget process enacted in 1990 put an overall spending cap on domestic discretionary programs for at least the next two years (FY 1992 and FY 1993). Total federal discretionary spending is divided into three separate categories: domestic, defense, and international affairs. A ceiling is placed on the total amounts that can be spent for the next two years for each of the three categories. During this time, funds cannot be shifted from one category to another. Additionally, if spending in any category exceeds its ceiling, a "categorical sequester" (an across-the-board cut in programs in that category) would be applied to all the programs within that particular category at the level required to bring the category back within its ceiling.

Entitlement Programs: Federal programs, such as Medicaid, Aid to Families with Dependent Children (AFDC), food stamps, and Social Security, which by law must be made available to all persons who meet certain eligibility requirements. Means-tested entitlements are provided to those eligible on the basis of income or "means," while non-means-tested entitlements have no income test. Funding for entitlement programs is contained in annual appropriations legislation, but the amount of such funding is determined by the level of benefits to be provided and the number of eligible persons "entitled" to receive them. Unlike discretionary programs, actual spending levels for entitlements can exceed the level that technically has been appropriated, if the initial appropriation level turns out to be inadequate to meet the obligations of programs. Key decisions regarding eligibility and benefit levels are made by the authorizing committees.

The 1990 budget law also creates new rules for federal entitlement programs. Any increase or expansion of one entitlement program must be offset, at some time during the year, by a reduction in another entitlement or by a revenue increase. However, if Congress passes and the president signs legislation increasing an entitlement without offsetting the costs by the end of the fiscal year, a categorical sequester occurs among all entitlements except those, such as Social Security and AFDC, which are exempt under the Gramm-Rudman law. The sequester is set at levels needed to bring entitlement spending back within its ceiling.

Reconciliation: Legislation to implement the spending and revenue limits in the Concurrent Budget Resolution, including any actual program changes, tax changes, or spending changes necessary to achieve required budget savings.

Tax Expenditures: The tax revenue lost to provisions in the tax laws that allow for special exclusions, exemptions, and deductions or provide special tax credits or tax rates. The amount of a tax expenditure is equal to the amount of added federal revenue that would occur if the tax break did not exist.

\$2.00